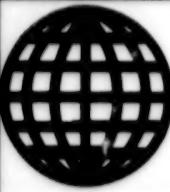


PRS-UEA-90-044
8 DECEMBER 1990



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JPRS-UEA-90-044

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INVESTMENT, PRICES, BUDGET, FINANCE

New Commercial Ruble Exchange Rate Explained

914A0115A Moscow EKONOMIKA I ZHIZN
in Russian No 46, Nov 90 p 3

[Interview with Aleksandr Yevgenyevich Voytenkov, deputy chief of the Currency and Economics Administration of the USSR State Bank, by unidentified EKONOMIKA I ZHIZN correspondent: "The Ruble: Commercial Exchange Rate"]

[Text] In addition to the official ruble exchange rate, which is continuously published by the USSR State Bank [Gosbank], a special Gosbank exchange rate has also been in effect for exactly one year for the purchase and sale of currency to Soviet and foreign citizens. On 1 November, another ruble exchange rate was introduced in the USSR—a commercial exchange rate based on the ratio of 1.8 rubles for one U.S. dollar. Our correspondent talks about the new ruble exchange rate with Aleksandr Yevgenyevich Voytenkov, deputy chief of the Currency and Economics Administration of the USSR State Bank.

[Voytenkov] The appearance of a multiplicity of ruble exchange rates is inevitable during the transition from a command-administrative economy to a market economy in the absence of a convertible ruble. One of the main reasons for this multiplicity is the considerable difference between world and our domestic prices and price proportions. When all export and import flows were rigidly planned at the state level, these differences were evened out by using budget withdrawals and subsidies. This ensured Soviet enterprises conditions that were no worse than within the country for selling goods on the world market. In doing so, the officially published ruble exchange rate was used as the accounting unit for recalculating foreign trade prices into rubles and determining the amount of subsidies or withdrawal to the budget. On the whole, this plan of intraunion calculations for export-import transactions was intended for a limited number of participants in foreign economic ties. Being based on commodity and country planning, it enabled the budget to play the role of a sort of "buffer" between Soviet organizations and the foreign market.

Now enterprises themselves carry out foreign economic activities. We can no longer talk about any kind of budget interference in their work—this is impossible even from a technical standpoint. There is now a need for a new model of financial relations in the foreign economic complex that ensures a direct interconnection between enterprises and organizations and the foreign market. One step in this direction is the introduction of a commercial exchange rate as one that more realistically takes into account the ruble's purchasing power at home and abroad.

The ruble exchange rate for foreign currency has been introduced in order to increase the economic interest and responsibility of enterprises and organizations for

the results of foreign economic activities. The commercial exchange rate is to be used in payments for foreign trade transactions, foreign investments on the territory of the USSR, and Soviet investments abroad, and also in payments of a nontrade nature that are made by juridical persons. The exchange rate will be adjusted depending on changes in the cost of currency of the leading capitalist countries and other factors.

[EKONOMIKA I ZHIZN] There have already appeared quite a few contradictory statements in the press about the consequences of introducing a commercial ruble exchange rate for retail prices in the USSR, the financial situation of citizens, and their investments. What do you have to say concerning this?

[Voytenkov] The level of retail prices in the USSR for imported consumer goods surpasses their cost in foreign trade prices by a factor of four-five. Presently, the entire difference is transferred to budget revenue. Since even a threefold decrease in the ruble exchange rate still does not eliminate this disparity, it should not entail an increase in retail prices. For this reason budget revenues, of course, will decrease.

The commercial ruble exchange rate will not affect citizens' incomes at all, since it does not apply to the population's monetary incomes. You see, our ruble is still not convertible; we cannot turn either 60 kopecks or 60 rubles from our pocket into a dollar. The sale of foreign currency to citizens for the time being is done within the limits of norms and for specific purposes: when traveling abroad at private invitation, for permanent residency, or for treatment. Currency is sold to citizens under these conditions by the USSR Bank for Foreign Economic Activity at a special exchange rate, which does not change with the introduction of the commercial ruble exchange rate.

The commercial exchange rate also will not affect the population's regular savings bank deposits.

Introduction of the commercial ruble exchange rate will not result in a devaluation of citizens' deposits in foreign currency and in rubles with free conversion that are in their accounts in the USSR Bank for Foreign Economic Activity.

Remaining funds in accounts in rubles with free conversion will increase proportionately with the amount of decrease in the ruble exchange rate, i.e., roughly by a factor of three. Here the equivalent of an amount in foreign currency will not change. But at the same time, the ruble appraisal of the remaining funds in currency accounts in freely convertible currency will increase. Therefore, the coefficients used today in converting funds from these accounts to pay for goods in specialized trade stores and when receiving funds from these accounts will be decreased by a factor of three.

Soviet citizens' deposits in closed currencies and in socialist countries' currencies do not change. Accordingly, the coefficients used for these currencies today accordingly also will not change.

Citizens' funds located in special accounts in the USSR Savings Bank that are used to acquire goods in specialized trade stores also will not be recalculated in any manner in connection with the introduction of the new exchange rate.

[EKONOMIKA I ZHIZN] What about the currency accounts of enterprises?

[Voytenkov] Those enterprises that have balance currency accounts in freely convertible currency, regardless of whether these accounts are held in rubles or currency, can rest easy in their minds. Here the situation is roughly the same as with citizens' accounts—only their ruble assessment changes, but the amount in currency remains unchanged.

Things are more complicated with enterprises holding nonbalance accounts. Strictly speaking, they will require three times as many rubles to turn these accounts into balance accounts. They will have to convert these accounts into balance accounts one way or another, since the Law on Enterprises in the USSR calls for entering currency earnings namely in the enterprise's balance currency account.

Nonbalance currency accounts must be closed. In order to reduce enterprises' possible losses to a minimum, obviously some kind of grace period (possible one-three months) should be established during which enterprises can transfer funds to balance accounts at the old exchange rate.

[EKONOMIKA I ZHIZN] I would still like to clarify how introduction of the commercial ruble will affect the financial situation of enterprises involved in foreign economic ties?

[Voytenkov] Use of the commercial ruble exchange rate will increase the profitability of export transactions for most Soviet suppliers. Of course, the increase in profitability will by no means be the same for different enterprises. After all, the starting opportunities of exporters are differ widely in the various sectors of industry. Whereas exports of oil-producing and oil-refining sectors are also efficient today, in the motor vehicle and machine tool industries the calculated foreign trade efficiency in deliveries for freely convertible currency today is 25-50 percent.

Those exporters whose products are sold on the foreign market with an efficiency below 34 percent will not receive any profit or will take a loss. Enterprises that have an efficiency above this level today will become profitable and super-profitable.

The role of taxation will increase with the introduction of a commercial exchange rate. I remind you that the USSR Law on Taxes on Enterprises, Associations, and

Organizations calls for levying a tax on exports, by means of which part of exporter enterprises' net income received as the difference between domestic and foreign trade prices will be taken as state revenue.

Presently, specific tax rates on exports and the list of goods have not yet been established, but it can be said with a great degree of confidence that the list of taxable goods will include fuel and energy commodities (petroleum, gas, petroleum products), also raw material (ferrous and nonferrous metals), and possibly certain other Soviet exports.

Imports for wholesale buyers become three times as expensive. This should force enterprises to be more responsive to accelerating the commissioning of fixed capital created on the base of imported equipment, seek ways to replace imports with domestic products, and to organize import-replacement production.

[EKONOMIKA I ZHIZN] Can enterprises somehow offset the increase in prices for imports?

[Voytenkov] Yes. In particular, currency auctions, which are planned to be held with greater frequency and regularity beginning next year, will help enterprises overcome financial difficulties. Work is now being done on transforming currency auctions into a permanently operating currency exchange. I remind you that at the currency auctions held in October of this year, the cost of one U.S. dollar was from 21 to 24 rubles. By selling part of their currency earnings at currency auctions (or exchange), enterprises can to a certain degree make up in rubles the increased expenditures for imports.

Of course, one must not forget that a number of imported goods having great social importance are purchased through centralized currency funds. In this regard, it is possible that subsidies will be provided for from union and republic budgets.

Introduction of the commercial exchange rate will not result in an increase in taxes on imports, since this tax rate will decrease accordingly.

[EKONOMIKA I ZHIZN] How will the commercial exchange rate affect the activities of foreign firms in the USSR?

[Voytenkov] Participation in joint ventures on the territory of the USSR becomes more attractive for foreign investors. Naturally, this means capital investments which will be made after introduction of the commercial exchange rate. Investments already made by foreign participants will not be recalculated at the new exchange rate.

Price Policy Variants Examined

914A0114A Moscow PRAVITELSTVENNYY VESTNIK
in Russian No 45, Nov 90 pp 4,5

[Interview with Vladimir Ivanovich Shprygin by Yu. Rytov: "What Will Happen to Prices: A Conversation With the Director of the Scientific Research Institute on Prices, V. Shprygin"]

[Text]

[PRAVITELSTVENNYY VESTNIK] Vladimir Ivanovich, discussions on approaches to price reform are still going on. Moreover, they have now taken on an unusual acuteness. Prices are "biting," and people are extremely worried about what awaits them tomorrow.

[Shprygin] Let me remind you that: "Basic Directions for Stabilizing the Economy and for the Transition to a Market Economy" raises this problem right at the outset of restraining the rise in prices that has already begun. Specifically, it addresses limiting the growth of wholesale and purchase prices, bringing about a gradual increase in state prices for fuel, raw materials, and building materials, and controlling the level of state retail prices for mass consumer goods.

All this will have to be done in such a way as to cover the budget deficit, which is growing due to increases in purchase and wholesale prices, on the one hand, and not to allow uncontrolled inflation on the other. In addition, we need simultaneously to improve conditions for the goods-monetary balance, in order subsequently to ensure an accelerated transition to the market.

[PRAVITELSTVENNYY VESTNIK] You will agree: the task has been formulated in very general terms and allows for various methods of resolution. Which one of them, from your point of view, would be optimal?

[Shprygin] At the present time debates focus in the main around two scenarios for price reform, which to a large degree will determine the actual paths taken in the transition to the market.

The first scenario involves state control and a one-time review of prices, to normalize their total structure at the start. And then, with the help of this structure and in conjunction with other systems of economic administration, influencing the economy's productive proportions. The goal is to eliminate existing deformations and eliminate the basic source of continual destabilization in the consumer market.

The second scenario involves letting prices float freely under conditions of deformed structures. In this case the market would even out free prices, and those, in turn, would in the end bring about balance in the market.

The second scenario holds many temptations for specialists. Actually, it would permit the consumer market to achieve balance quickly and would also strengthen the budget. After all, under free prices nonproliferable production is excluded and the need for a system of subsidies falls away. However . . . All the weight of this maneuver would collapse on the population's shoulders. Under a universal goods deficit it's even hard to predict a ceiling for the potential rise in prices. Only a gradual saturation of the consumer market and the appearance of competition between goods producers can lead to price reduction. When will that happen, though? And how are we to bear the burdens of the transitional period? No one, unfortunately, can provide an instructive answer to these questions.

Nor can we forget about the economy's deformed structures, which also have an active influence on the coming-into-being of distorted cost criteria. In turn, distorted prices, which do not reflect socially necessary expenditures, create false reference points in raising the efficiency of production and carrying out investment policy. The productive structure becomes even more deformed. And under free price formation the real danger is created that the market will be balanced at the expense of high prices and the maintenance (and even growth) of deformations in the productive structures.

[PRAVITELSTVENNYY VESTNIK] So the first scenario seems preferable to you?

[Shprygin] Absolutely! Moreover, as of now it is the only one possible. After all, let me repeat, we must bear in mind how a sudden transition to free prices would affect citizens' standard of living. And for many citizens it's going to go down quite a lot. The state of the economy today and the goods deficit are such that total loss of control over prices would lead to chaos in production and consumption and growth in prices for most goods. As a result we would have not inflation but hyperinflation.

[PRAVITELSTVENNYY VESTNIK] Can we confirm our idea with controlled calculations? Is comparative analysis, in particular, being done on those scenarios for price formation that were put into the government program and the "500 Days" program?

[Shprygin] Yes, those calculations were made. Table 1 shows the limits of the possible increase in prices for various groups of goods under the two reform scenarios. In the "500 Days" scenario, as we see, they are much higher. But the growth in free prices is not limited to those amounts.

Once more we have to emphasize that free prices presume production that does not entail loss. Therefore prices will first be raised to a level that covers all production expenses. Then—to a level that can balance supply and demand.

Table 1: Possible Price Increases

	Government Program	"500 Days" Program
Food	2.1	1.9
Alcohol	0	1.58
Light industrial goods	1.4	1.59
Nonfood goods and services (other than light industrial goods)	1.25	2.14
Total	1.7	1.9

[PRAVITELSTVENNY VESTNIK] It's not going to be so simple for us to reach that level.

[Shprygin] Of course. We need to keep in mind the size of the unsatisfied demand. For meat and meat products, for example, it is now 38 percent. For sugar, 50 percent. For vegetable oil, 38 percent. For shoes, 30 percent. For dress goods, 20 percent. For toothpaste, 50 percent. What must the level of prices be in order to bring down demand for these foods and goods?

[PRAVITELSTVENNY VESTNIK] We can probably judge that by the prices in the kolkhoz markets.

[Shprygin] To some degree. In several capital markets meat is already being sold for 30-40 rubles a kilogram, and eggs for 1-2 rubles apiece. Or take the price changes going on with respect to regions that are prosperous from the standpoint of food, such as the Baltic republics. Here with the transition to a market economy retail prices for many food items have had to be increased by a factor of two or three over past prices. The conclusion is obvious: We need to approach the broad application of free prices with great caution if we are to avoid setting off an explosion in the entire system.

[PRAVITELSTVENNY VESTNIK] Where exactly might this kind of caution find expression?

[Shprygin] Above all, in order to avoid a sharp increase in prices, we should provide for at least partial if not total compensation for expenses through prices on a series of goods. This means partially retaining subsidies. On the other hand, the population must wholly compensated for the entire amount of price increases. These kinds of logical steps, by the way, have been specified in the government program.

[PRAVITELSTVENNY VESTNIK] But those kinds of steps won't lessen the tension in the consumer market?

[Shprygin] The existing goods shortage must be eliminated not through price increases, which restrict demand for them, but through increased production of goods and expanded purchases of them for import. However, the new price mechanism would create more favorable conditions for the normal functioning of the economy. That means for the accelerated development of group B as well.

[PRAVITELSTVENNY VESTNIK] You are proposing maintaining subsidies for unprofitable production as well?

[Shprygin] In certain instances we should do just that. Of course, the market mechanism assumes harsh competition. It leads to the closing of unprofitable enterprises and their liberation from economically weak participants in public production. That's all correct. But are all collectives to blame for their economic weakness? No, not all. Take the miners, for instance. If we were to withdraw all subsidies from the coal industry, 120 mines would have to shut down immediately. And what would you have us do with the people? And how would we fill in the energy balance?

The economic weakness of many enterprises is explained by conditions that have nothing to do with them but that society kept them in for a prolonged period of time. Now, therefore, does society, which has not done anything to help such enterprises, have the right to reject them? Also. Shifting to free prices everywhere immediately would certainly doom many collectives that are now relatively prosperous to unprofitability. The sociopolitical situation in society would become even more acute.

So how can we agree with a proposal to shift all prices over to market "freedom" without taking into account the realities of life?

[PRAVITELSTVENNY VESTNIK] That means strict government control over prices is essential at all stages of the transition to the market?

[Shprygin] That kind of control is going to be necessary even when the market mechanism has been put completely into effect. Actually, it exists throughout the world and is buttressed by a corresponding system of regulations. Not administrative, naturally, but economic. With respect to the initial stages of the transition to the market in our country, here, probably, administrative levers will be needed as well.

[PRAVITELSTVENNY VESTNIK] What do you have in mind?

[Shprygin] In my opinion, we cannot hope to do without a one-time review of prices under state control. Only then will we have a chance to effect a change in productive structures through prices and tax policy.

[PRAVITELSTVENNY VESTNIK] What are the basic principles involved in a price review?

[Shprygin] Calculations show that in order to approximate prices to socially necessary expenses, they must be increased for the production of heavy industry and machine building by about 50 percent. This includes 80 percent for coal, 200 percent for oil, 230 percent for oil, and 74 percent for lumber and forest products. Purchase prices go up an average of 32 percent.

[PRAVITELSTVENNY VESTNIK] What will this yield, apart from influencing the change in productive structures already mentioned?

[Shprygin] Advantageous conditions will arise for the work of rural and industrial collectives paying their own way. It will become easier to resolve many social issues, particularly housing issues. And workers' pay can finally be brought into alignment with the share of the national income created in the respective branches.

[PRAVITELSTVENNYY VESTNIK] How long will these prices hold?

[Shprygin] The gradual transition to free price formation will depend on the degree to which productive structures are normalized and enterprises adapt to market methods of management.

I would especially like to emphasize that free prices are an essential condition for the functioning of a normal market. All economists agree with that. The whole question is merely how to shift over to that kind of a system.

[PRAVITELSTVENNYY VESTNIK] In other words, in your opinion, that kind of transition should be gradual, smooth?

[Shprygin] Yes. We should assume that the proposed levels of fixed price increases are maximums. Depending on how saturated the market is with goods, they must subsequently shift over to free price formation. Then free prices will organically inscribe themselves into the general structure. Reliable guarantees will appear for restraining their unsubstantiated growth. And if in certain instances free prices do exceed fixed prices, there won't be any particular misfortune in that. This could happen, as a rule, on a small scale.

[PRAVITELSTVENNYY VESTNIK] Then competition between producers too will take on a fundamentally different character?

[Shprygin] Unquestionably. Right now it has been reduced to a "price game," given the universal shortage. But under fixed prices it will become necessary to produce less expensive goods of higher quality. Whoever can offer those to the consumer will win the competition battle.

[PRAVITELSTVENNYY VESTNIK] The price formation scenario we are talking about has been criticized many times for seeming to bear a fiscal nature. That is, its chief purpose is to fulfill payments to the budget.

[Shprygin] Not at all. The chief goal is to normalize the structure of prices, not to meet the budget. Prices will rise for some goods. For others they will remain unchanged. For still others that have an unjustifiably high price level, they will be lowered.

[Shprygin] And, on one hand, this will lead to the redistribution of the demand for various products. On the other it will allow for the lowering of existing market prices. This affects above all meat and dairy production.

In general, if we are talking about retail prices, assuming full compensation to the population for the entire potential sum of their increases, such a principle would allow for the creation of sufficiently reliable guarantees of social defense against many negative consequences of the transition to a market economy. The idea of social security here consists not only in the system of monetary compensations, income indexation, and so on. It consists too in eliminating unsubstantiated price increases in the future.

[PRAVITELSTVENNYY VESTNIK] Will the various republics and regions of the country maintain normal starting conditions for entering the market?

[Shprygin] Equivalence will be ensured in the exchange of output between branches, republics, and regions. And this is the chief condition for ensuring a mutual balance of interests.

[PRAVITELSTVENNYY VESTNIK] The economic sovereignty of the republics and the expansion of economic independence for regions and enterprises sharply raises the question of rejecting petty tutelage from the center in the area of price formation as well. What rights to setting prices should be given over to the republics, the local organs of power, and the enterprises?

[Shprygin] In my opinion, the center should retain the right to set fixed prices for a highly limited range of output. This should include the output of enterprises that are monopolies in their area, the output of the gas branches, which determines the basic structures of the economy, and output upon which the population's minimum subsistence level directly depends.

[PRAVITELSTVENNYY VESTNIK] If a detailed list of this output were to be compiled, then it would doubtless be quite impressive?

[Shprygin] You can't do without it in the first steps to the market. Judge for yourself. In the centralized procedure prices have to be set for the basic forms of fuel-energy resources, specifically, coal, oil, gas, and wood. This group also covers the basic types of metals and machine-building output intended for general economic use: machine tools, cranes, farm machinery, energy and textile equipment, diesel locomotives, electric locomotives, train cars, and so on.

In this way one could create the carcass of a price system, which the state could use to acquire the possibility of influencing the state of affairs in the market, to fix the economy's basic proportions, and to ensure citizens a minimum subsistence level.

[PRAVITELSTVENNYY VESTNIK] And prices for the remaining production?

[Shprygin] Would be formed on a free basis. As a result even at the first stage of introducing the new system the proportionate weight of contractual prices for industry as a whole would be 35 percent, including 25 percent for ferrous metallurgy, 55 percent for machine building, and

50 percent in the building material industry. In the future the proportionate weight of contractual prices, naturally, would be even more.

[PRAVITELSTVENNY VESTNIK] How is the situation shaping up with respect to purchase prices?

[Shprygin] During the period of transition to market relations on the union level they will be approved only for the basic types of grains, cotton, sugar beets, sunflower seeds, tea, meat, milk, wool, and tobacco. These prices are applied to output that is part of the union and republic funds. For all other types of output and raw materials the levels of purchase prices will be determined by the union republics (contractual prices may also be broadly applied).

We have to mention once again the fact that this action has great significance. Finally the necessary conditions are being created for the support of price parity between industry and agriculture.

[PRAVITELSTVENNY VESTNIK] Now about the most sensitive problem—retail prices.

[Shprygin] As it's pictured, on the union level prices must be set for common types of bread and meat, milk, sunflower oil, and sugar. As well as for the light industrial and cultural-domestic goods that make up the consumer's market basket.

In this type of approach the total sum of centralized increased in retail prices for goods and rates for shipment come to 135 billion rubles instead of the previously anticipated 199 billion rubles.

As has already been mentioned several times, the increase in retail prices will be subject to full compensation to the population. The overall sum of the compensation will be distributed among the union republics according to the actual consumption of goods and services in the 1990 calculations.

[PRAVITELSTVENNY VESTNIK] In this scenario, precisely which goods and services are proposed to have their prices frozen?

[Shprygin] The plan is to retain existing prices for communal services. Along with liquor-vodka production and beer, retail prices are being frozen as well for small and medium cars like the Zaporozhets and the Zhiguli, gas, some glass and china, individual stationery items, the simplest children's toys, personal hygiene objects, and medicines. Here we should also add light industrial goods like fabric and knitted goods made of artificial and synthetic fibers and goods made out of them.

Considering the acute shortage of some goods, we should begin to differentiate state retail prices according to where the output is sold. In fact, in the Moscow and Omsk markets meat is sold for 20 and 5 rubles a pound, respectively. Whereas in state stores it is sold for 2 rubles. Accordingly, state retail prices should also reflect local demand.

[PRAVITELSTVENNY VESTNIK] You think that prices for the listed goods ought to be set by the center. Whereas already today in many regions of the country these types of decisions are being made independently.

[Shprygin] Yes. You don't have to go far for examples. In Estonia this year retail prices for fish doubled, wine and liquor rose by 20 percent, tobacco by 50 percent, beer by 100 percent. And very recently retail prices for milk products increased by a factor of 2.4, meat products by a factor of 2.7, and bread by a factor of 2.3.

Prices for certain goods have been changed arbitrarily as well in Latvia, Moldova, Belorussia, and individual regions of Russia.

This kind of action must be looked upon as an attempt to ensure economic prosperity at the expense of others. And naturally, it sets off a chain reaction. All it takes is for one republic to raise prices and an analogous decision in the form of answering; measures will be applied in a neighboring republic or region. Yes, with an eye on their "elders," the autonomous republics, oblasts, towns, and even villages have also begun to violate price discipline.

Table 2: Share of Goods by Level of Price Confirmation (percentages)

Goods	By USSR Organs	By Republic Organs	Free Prices
Production-technical			
—under existing conditions	50	40	10
—as projected for early 1991	35	45	20
—as projected for late 1991	20-30	30-40	40-50
Consumer			
—under existing conditions	51	35	14
—as projected for early 1991	21	52	27
—as projected for late 1991	15-20	20-30	50-65

[PRAVITELSTVENNY VESTNIK] How can we avoid this kind of phenomenon?

[Shprygin] Evidently we need a corresponding legislative act prohibiting anyone from arbitrarily changing prices on union-level production and specifying responsibility for persons violating established procedure.

[PRAVITELSTVENNY VESTNIK] What types of goods could be released for free prices right away?

[Shprygin] That list is also quite extensive. Meat delicatessen and fish products, for example. Fresh fish, dry smoked sausage, fillets, tongue. Among nonfood goods, imported perfume and cosmetics, jewelry, high-quality

crystal, rugs with new designs, complex household equipment, automobiles like the Volga.

[PRAVITELSTVENNYY VESTNIK] You could draw one not very cheerful conclusion from our conversation: prices are going to keep on "biting" for a very long time.

[Shprygina] There's no getting away from that in making the transition to a market. The whole question is weakening those "bites" as much as possible. Bearing in mind that not everyone can withstand them.

Paperwork Impedes Implementation of Savings Decree

914A0154A Moscow IZVESTIYA in Russian 28 Nov 90
Union Edition p 3

[Article by L. Ivchenko: "A Reporter Was Assigned to Open an Account in a Savings Bank"]

[Text] In our abundantly complex times even this turned out to be difficult. Having run into crowds of people at several savings banks, I set out for section 7982 of affiliate 0134, which is located in the Central Telegraph building. But 50 people were waiting in line there too. Exhausted by the two or three hour wait, people were demanding to see the manager, or the complaint book, which was already filled with indignant entries. The cashiers and checkers, having gotten tired of snarling, were silently rummaging in the cards and accounts. What is going on? Is it the latest panic? Are they taking out or putting in? If they are afraid, of what? A clue was found in the statements on the window, where, next to the President's edict on increasing citizens' interest in keeping their savings in savings banks, were hanging explanations and samples for filling out the papers.

It would seem that this is a good thing. For keeping money in a deposit account a person receives not three percent, as before, but five, seven or nine percent, depending on the term of the deposit. But the trick is that it is not done automatically, as logically would be assumed, but by deducting and crediting; i. e., it is necessary to close the former account and open a new one, the drawing up of which requires a great deal of time and scribbling.

"Frequently the people who come to us are elderly," says section chief T. Doroshina, "and many do not understand what to fill out, or where and how, and they ask questions and rewrite the forms over and over again. Some have several savings books. And this slows down the work. At times the depositors cannot simply take their own money for a purchase. They curse both us and everyone on earth. What we don't hear! Now we do not even have enough forms or cards. The need for them has sharply increased."

This is what Gosbank [State Bank], Sberbank [Savings Bank], and USSR Minfin [Ministry of Finance] created, "in fulfillment of the President's Edict," which ordered Sberbank, in particular, to provide higher quality service

to the population. Well, they provided it! And the very embodiment of the idea programs in constant lines in the future as well. After all, under the new conditions the depositor, in order to avail himself of the interest rates or receive higher rates, must close his account and reopen it, in contrast to the good old deposit account, from which he could easily remove both the accumulated amount and the savings after a year, without losing anything.

"Wouldn't it be simpler to stipulate new conditions on the former accounts," says one of the depositors, "and to put, for example, the appropriate stamp on the savings book? What fool thought all this up?!"

It was no fool who thought it up. One senses the great experience of those able to erect such a fence of stipulations that something good turns into its opposite. Well, how else can something bigger and better be offered, but so that this better thing is still not taken? For thus far there are not so many who desire to close their accounts in order to open new ones. In savings bank No 7982, for example, out of 8,000 depositors (approximately), only 120-130 have revised their deposits, and only a few are doing so in the other savings banks.

In the first 15 days of November accounts worth 5.8 billion rubles have been received under the new conditions—1.6 percent of the total amount of all accounts. In USSR Sberbank this is considered respectable; after all there are still several months to go. Nevertheless, many are frightened by the rigid conditions for saving money. It cannot be touched for three years, and if it is taken out early (many things can happen in life!) one receives two percent annual interest, not the promised seven percent; i. e., less than with the former deposit account. And the fact that a citizen already gave a loan to the state for several years through the savings bank does not mean anything. Just as the fact that the three or four years that a deposit lies untouched at seven percent does not count in the total "length of service" for the new, higher rates. It must be established anew, for a 5-6 year term, just as from day one.

"Those are the conditions of the agreement," says M. Nakhmanovich, USSR Sberbank deputy board chairman, one of those who developed the new conditions for keeping money in the savings banks. "Open up an account right away for a term of more than five years and you will receive nine percent."

V. Solovov, first deputy board chairman, is more frank:

"We understand that these stipulations and limitations are not to our advantage, but you see, it is necessary somehow to prevent panic spending of money and a further run-up of prices in the market. Here the state is offering an incentive so that a person will refrain from spending for some period of time; this is the sense of the measure. If we raise the interest rates on all deposits automatically, it will require 20-30 billion rubles. And where can we take them from? Under this variant, 10-12 billion rubles will be required."

Then there was nothing to venture. There is but one incentive, about which everyone has already gotten tired of talking. And that is goods, which are not only not appearing,

but are disappearing swiftly, to points unknown. Must we eternally make up for others' mistakes and pay with our time for all the half-incentives and half-measures?

POLICY, ORGANIZATION

Draft Law on Belorussian Enterprises

914A0109A Minsk SOVETSKAYA BELORUSSIYA
in Russian 3 Nov 90 pp 2, 3

[Belorussian Soviet Socialist Republic Draft Law on Enterprises in the Belorussian SSR]

[Text] This law determines the general legal, economic, and social basis for the organization of an enterprise with a diversity of forms of property and its activity under conditions of development of commodity-money relationships and a regulated market.

The law is directed toward ensuring the independence of an enterprise, determines its rights and responsibility in the implementation of economic activity, regulates the relations of an enterprise with other enterprises, organizations, soviets of people's deputies, and bodies of state management, and acts in combination with other Belorussian SSR laws.

This law applies to all enterprises located on Belorussian SSR territory.

SECTION I. GENERAL PROVISIONS

Chapter 1. An Enterprise and Its Main Tasks

Article 1. Concept of an Enterprise

An independently managing subject with the rights of a legal entity, which on the basis of property use by a labor collective produces and sells products, performs jobs, and provides services is an enterprise. An enterprise does not have other legal entities in its structure.

An enterprise operates on cost-accounting principles regardless of the forms of ownership of the means of production and other property.

Article 2. Main Tasks of an Enterprise

Economic activity and entrepreneurship aimed at obtaining profit for solving (meeting) social and economic interests of members of the labor collective and interests of the owner of enterprise property is the main task of an enterprise. The satisfaction of public needs for its products and services is realized by the state by means of economic levers.

Article 3. Types of Economic Activities of an Enterprise

An enterprise can carry out any types of economic activities if they are not prohibited by Belorussian SSR legislative acts and meet the goals provided for in enterprise bylaws.

An enterprise can engage in individual types of activities, the list of which is approved by the Belorussian SSR Council of Ministers, only on the basis of a special permission (license).

Article 4. Types of Enterprises

In accordance with the forms of property established by the Belorussian SSR Law "On Property in the Belorussian SSR" enterprises of the following types can operate:

—based on citizens' property—an individual family enterprise;

—based on collective property—a collective enterprise; a production cooperative; an enterprise belonging to a cooperative; an enterprise established in the form of a joint-stock company and another economic company or partnership, or belonging to such a company or partnership; an enterprise of a public organization; an enterprise of a religious organization;

—based on various mixed forms of property;

—based on state property, the management of which is regulated by the Belorussian SSR Law "On Property in the Belorussian SSR";

—a joint enterprise—based on the unification of the property of its founders, who enjoy the rights of a legal entity and in accordance with Belorussian SSR legislation can include foreign legal entities and citizens.

Other types of enterprises, the establishment of which does not contradict Belorussian SSR legislative acts, can also operate in the Belorussian SSR.

Article 5. Small Enterprises

In accordance with the economic turnover volumes of an enterprise and the number of its workers, regardless of the forms of property, it can be included in small enterprises, the characteristic features of the establishment of which, as well as the procedure of inclusion in these types of enterprises, are established by Belorussian SSR legislation.

Chapter 2. Association of Enterprises

Article 6. Types of Associations

Enterprises can unite themselves on a voluntary basis into unions, economic groupings, concerns, and other associations according to sectorial, territorial, or other principles for the purpose of coordinating activities, ensuring the protection of their rights, and representing common interests in appropriate state and other bodies, as well as in international organizations. In accordance with a coordinated decision of enterprises an association can be entrusted with a centralized fulfillment of individual production-economic and other functions.

The indicated structures are created with due regard for the antimonopoly requirements established by appropriate Belorussian SSR legislative acts.

Article 7. Association Bylaws. Rights of Enterprises Forming Part of an Association

An association operates on the basis of bylaws approved by its founders. Enterprises forming part of the organizational structures indicated in article 6 of this law retain

their independence and the rights of a legal entity and the effect of this law applies to them.

Article 8. Registration of an Association

The registration of an association is carried out in accordance with the procedure established by this law for an enterprise. An association is a legal entity and has independent and consolidated balances, current and other accounts in bank institutions, and a seal with its name.

Article 9. Delimitation of the Responsibility of an Association and of Its Constituent Enterprises

An association is not responsible for the obligations of its constituent enterprises and enterprises are not responsible for the obligations of an association if nothing else is provided for by articles of association (bylaws).

Article 10. Withdrawal of Enterprises From an Association

Enterprises entering an association have the right to withdraw from it with the retention of obligations to enterprises forming part of the association in accordance with concluded agreements.

Article 11. Liquidation of an Association

An association is liquidated in accordance with the decision of its constituent enterprises. The liquidation of an association is carried out in accordance with the procedure established for the liquidation of an enterprise.

The property left after the liquidation of an association is distributed among members in accordance with association bylaws.

Chapter 3. Legislation on Enterprises

Article 12. Legislation on Enterprises

State enterprises are guided by this law and other Belorussian SSR legislation.

Enterprises of other forms of property are guided by this law, other Belorussian SSR legislative acts, and, in cases provided for by these acts, by decrees of the Belorussian SSR Council of Ministers as well.

Relations not regulated by Belorussian SSR legislation can be regulated by USSR legislation.

Article 13. Characteristics of Application of This Law to Individual Types of Enterprises

The characteristics of application of this law to individual types of enterprises, the activity of which is connected with increased requirements for work organization and safety and with the continuity of technological processes and stems from the need to centralize

management functions, and the list of such enterprises are determined by the Belorussian SSR Council of Ministers.

Article 14. Characteristics of Establishment and Activity of Joint Enterprises

The characteristics of establishment and activity of joint enterprises with the participation of citizens and legal entities of the Belorussian SSR, other Union republics, and foreign states are established by Belorussian SSR legislative acts.

SECTION II. ESTABLISHMENT OF AN ENTERPRISE AND PROCEDURE OF ITS REGISTRATION

Chapter 4. General Conditions for the Establishment of an Enterprise

Article 15. Procedure of Establishment of an Enterprise

An enterprise can be established either in accordance with the decision of the property owner (owners), or the body, enterprise, or organization authorized by him (them), or in accordance with the decision of the labor collective in cases and in accordance with the procedure provided for by this law and other Belorussian SSR legislative acts.

Article 16. Establishment of an Enterprise Through Separation of a Structural Subdivision (Subdivisions) From an Existing Enterprise

An enterprise can be established as a result of the separation from an existing enterprise or organization of one or several structural subdivisions on the initiative of the workers' collective at the indicated subdivision (subdivisions) if the enterprise property owner (the body, enterprise, or organization authorized by him) consents to this and the fulfillment of contractual obligations previously adopted by the enterprise is fulfilled.

Article 17. Establishment of an Enterprise on the Basis of an Association's Structural Unit

An enterprise can be established on the basis of an association's structural unit in accordance with the decision of its labor collective with the retention of its obligations to the association.

Article 18. Enterprise Bylaws

An enterprise operates on the basis of bylaws. Bylaws are approved by the founder (founders) of an enterprise.

Enterprise bylaws determine the following: the name of an enterprise, its location, object and goals of activity, its management and control bodies, their competence, the procedure of formation of enterprise property and profit (income) distribution, and conditions for the reorganization and termination of enterprise activity.

Bylaws can also include other provisions not contradicting legislation, which are connected with the characteristics of enterprise activity.

Article 19. Establishment of Subsidiary Enterprises and Separate Subdivisions of an Enterprise

An enterprise has the right to establish subsidiary enterprises with the right of legal entities, as well as affiliates, representative offices, departments, and other separate subdivisions with the right to open current and settlement accounts, and approves the provisions concerning them. An enterprise does not bear responsibility for the activity of a subsidiary enterprise and vice versa.

Article 20. Coordination of the Problem of Locating Subsidiary Enterprises and Separate Subdivisions of an Enterprise

The problems of locating subsidiary enterprises and separate subdivisions of an enterprise is coordinated with appropriate local soviets of people's deputies in accordance with the procedure established for the formation of an enterprise.

Article 21. Granting Land and Other Natural Resources for the Establishment and Activity of an Enterprise

In cases when a plot of land and other natural resources are needed for the establishment and activity of an enterprise, the permission to use them is given if there is a positive conclusion of an appropriate ecological expert examination by an appropriate soviet of people's deputies and, in cases provided for by legislative acts, by the primary nature user as well.

Refusal to grant a plot of land and other natural resources can be appealed in accordance with the procedure provided for by Belorussian SSR legislative acts.

Article 22. Acquisition of the Rights of a Legal Entity by an Enterprise.

An enterprise is considered established and acquires the rights of a legal entity from the day of its state registration.

The activity of a nonregistered enterprise is not permitted.

Chapter 5. State Registration of an Enterprise

Article 23. State Registration of an Enterprise

State registration of an enterprise is carried out in the executive committee of rayon, city, and city rayon soviets of people's deputies at the enterprise's location if nothing else is provided for by Belorussian SSR legislative acts.

The data of state registration of an enterprise are reported for assessment to the Belorussian SSR Ministry of Finance and to the Belorussian SSR State Committee for Statistics and Analysis within a 10-day period for inclusion in state and Belorussian SSR registers respectively.

Article 24. Documents Necessary for State Registration

For state registration of an enterprise decisions on its establishment, bylaws, and other documents according to the list determined by the Belorussian SSR Council of Ministers are submitted to the executive committee of an appropriate soviet of people's deputies.

Article 25. Period During Which Registration Should Be Carried Out

State registration of an enterprise should be carried out no later than 30 days from the time of submission of an application with enclosure of the necessary documents to the executive committee of the appropriate soviet of people's deputies. The adopted decision is reported in written form to the applicant within a five-day period. The register holder announces the fact of the enterprise's registration in the local press.

Article 26. Motives for Denial of State Registration

Denial of state registration of an enterprise can follow for reasons of violation of the procedure concerning the formation of an enterprise established by Belorussian SSR legislative acts, as well as of noncorrespondence of constituent acts (documents) to the requirements of legislation. Denial of state registration of an enterprise for reasons of inadvisability of its establishment is not permitted.

Article 27. Appeal of Denial of State Registration

If state registration of an enterprise is not carried out within the established period, or it is denied for reasons considered groundless by the enterprise founder, he can turn to the court.

Article 28. Fee for State Registration

For state registration of an enterprise a fee in amounts established by Belorussian SSR legislation is imposed on it. The executive committee of the soviet of people's deputies enters the funds obtained in the rayon, city, and city rayon budget at the place of registration of an enterprise.

Article 29. Licensing of Types of Activities

For carrying out types of activities subject to licensing, an enterprise must receive the necessary license in accordance with the procedure established by the Belorussian SSR Council of Ministers.

SECTION III. ENTERPRISE PROPERTY

Chapter 6. Conditions for the Formation and Use of Property

Article 30. Enterprise Property

Fixed and circulating capital, as well as other assets, the value of which is reflected in the independent balance of an enterprise, constitutes enterprise property.

Article 31. Property Rights of an Enterprise

In accordance with Belorussian SSR legislative acts and enterprise bylaws the property of an enterprise can belong to it with the right of ownership or complete economic management.

Article 32. Sources of Formation of Enterprise Property

The following are sources of formation of enterprise property:

- monetary and material contributions by founders;
- income received from sales of products, jobs, and services, as well as from other types of economic activities;
- income from securities;
- credits of banks and other creditors;
- capital investments and subsidies from budgets;
- nonreturnable or charitable contributions and donations by organizations, enterprises, and citizens;
- other sources not prohibited by Belorussian SSR legislative acts.

Article 33. Attraction of Funds of Legal Entities and Citizens by an Enterprise

In order to attract additional funds for purposes of expansion and improvement of production and the social development of labor collectives, an enterprise has the right to issue and sell securities.

The procedure of issue and sale of securities by an enterprise, their types, and holders' rights are determined by Belorussian SSR legislation.

Article 34. Rights of an Enterprise To Dispose of the Property Belonging to It

An enterprise has the right to sell buildings, installations, equipment, transport facilities, implements, raw materials, and other physical assets belonging to it, to transfer them to other enterprises, organizations, and institutions, to exchange them, to lease them out, and to give them free of charge for temporary use or on credit, as well as to write them off the balance, if nothing else is provided for by legislative acts and enterprise bylaws.

An enterprise has the right, if nothing else is provided for by bylaws, to sell and lease out to citizens the means of production and other physical assets with the exception of those that in accordance with Belorussian SSR legislative acts cannot be owned or used by them.

The free transfer and granting by an enterprise of physical assets to citizens, labor collectives, and enterprises are carried out with the permission of the owner or the body authorized by him in cases not prohibited by Belorussian SSR legislative acts.

Chapter 7. Possession and Use of Natural Resources**Article 35. Procedure of Possession and Use of Natural Resources**

An enterprise owns and uses land and other natural resources in accordance with the established procedure for pay and, in cases provided for by Belorussian SSR legislative acts, on preferential terms or free of charge.

Article 36. Duty of an Enterprise To Implement Nature Protection Measures

An enterprise must promptly implement nature protection measures aimed at diminishing and compensating for the negative effect of its production on the environment. Such measures are financed from its own funds or other sources.

Article 37. Responsibility of an Enterprise for Inefficient Use of Natural Resources

An enterprise bears responsibility for the observance of requirements and norms for an efficient use, restoration, and protection of land, water, mineral resources, forests, and other natural resources, as well as compensates for the damage done as a result of its activity.

Chapter 8. Guarantees of Property Rights of an Enterprise**Article 38. Guarantees of Property Rights of an Enterprise**

The state guarantees the protection of property rights of an enterprise. The withdrawal by the state from an enterprise of its fixed and circulating capital and other property used by it is not permitted with the exception of cases provided for by Belorussian SSR legislative acts.

Article 39. Compensation for Damage Done to an Enterprise as a Result of Violation of Its Property Rights

An enterprise is compensated for damage done to it as a result of violation of its property rights by citizens, legal entities, and state bodies in accordance with the decision of the court or the state board of arbitration.

SECTION IV. ENTERPRISE MANAGEMENT AND SELF-MANAGEMENT**Chapter 9. General Principles of Organization of Enterprise Management and Self-Management****Article 40. Enterprise Management**

The management of a state enterprise is carried out in accordance with its bylaws on the basis of combining the principles of self-management of the labor collective and the owner's rights to the economic use of his property. The management of an enterprise of other property forms is carried out in accordance with enterprise bylaws and other Belorussian SSR legislative acts.

The owner exercises his rights to manage an enterprise directly or through bodies authorized by him. The owner

or bodies authorized by him can delegate these rights to the enterprise council (board), or to another body provided for by enterprise bylaws and representing the interests of the owner and the labor collective. An enterprise independently determines the structure of management and establishes staffs.

Article 41. Hiring (Appointing, Electing) an Enterprise Manager

Hiring (appointing, electing) an enterprise manager is the right of the enterprise property owner and is realized by him directly, as well as through bodies authorized by him, or through enterprise councils, boards, or other bodies, to which rights to manage the enterprise are delegated.

Article 42. Procedure of Solving Socioeconomic Problems

Decisions on socioeconomic problems concerning the activities of an enterprise are worked out and adopted by its management bodies with the participation of the labor collective and bodies authorized by it.

Chapter 10. Labor Collective of an Enterprise and Its Powers

Article 43. Labor Collective of an Enterprise

All citizens participating with their labor in the activity of an enterprise on the basis of a labor agreement (contract, arrangement), as well as other forms regulating labor relations between a worker and an enterprise, form the labor collective of an enterprise.

Article 44. Powers of the Labor Collective

The general meeting (conference) is the basic form of exercise of powers by the labor collective.

The general meeting (conference) of the labor collective:

- solves problems connected with the buyout of enterprise property;
- solves the problem concerning the need to conclude a collective contract (agreement) with the enterprise administration, examines its draft, and authorizes the trade-union committee or other bodies to sign it on behalf of the labor collective;
- elects (recalls) representatives to the enterprise council and hears reports on their activity;
- if needed, can form a labor collective council and determine its functions.

Chapter 11. Collective Contract (Agreement)

Article 45. Conclusion of a Collective Contract (Agreement)

A collective contract (agreement) can be concluded at all types of enterprises and should not contradict existing legislation.

Article 46. Matters Regulated by a Collective Contract (Agreement)

A collective contract (agreement) regulates production and labor relations at an enterprise and matters concerning labor protection, the collective's social development, and its members' health.

Article 47. Resolution of Differences of Opinion Arising During the Conclusion or Execution of a Collective Contract (Agreement)

When differences of opinion arise during the conclusion or execution of a collective contract (agreement), they are resolved in accordance with the procedure established by Belorussian SSR legislative acts.

Chapter 12. Enterprise Council (Board)

Article 48. Establishment of the Enterprise Council (Board)

The enterprise council (board) consists of an equal number of representatives appointed by the enterprise property owner and elected by its labor collective if nothing else is provided for by enterprise bylaws.

The size of the enterprise council is determined by enterprise bylaws. The enterprise council is formed for the period stipulated in enterprise bylaws.

Article 49. Labor Guarantees of Members of the Enterprise Council (Board)

Members of the enterprise council (board) elected to it from the labor collective during the period of their powers cannot be (on the administration's initiative) dismissed from the enterprise, their position (salary) cannot be lowered, and they cannot be transferred to lower-paying jobs without the consent of the general meeting (conference) of the labor collective that elected them.

Article 50. Powers of the Enterprise Council (Board)

The enterprise council (board):

- determines the general direction in the enterprise's economic and social development; determines the procedure of net profit distribution;
- by representation of the enterprise manager makes a decision on the issue of enterprise securities, as well as on the purchase of securities of other enterprises and organizations;
- solves problems concerning the establishment of subsidiary enterprises, establishment and termination of the activity of affiliates and other separate enterprise subdivisions, and the enterprise's entry into associations and groupings and withdrawal from them;
- adopts decisions on basic problems concerning the enterprise's foreign economic activity;

- examines situations of conflict arising between the enterprise administration and the labor collective and takes measures to resolve them;
- solves other problems provided for by enterprise bylaws.

The enterprise council (board) solves problems pertaining to its competence at its meetings. Interference of the council (board) in the administration's current managerial activity is not permitted.

The rules of adoption of decisions by the enterprise council (board) are regulated by enterprise bylaws.

Article 51. Chairman of the Enterprise Council (Board)

The chairman of the enterprise council (board) is elected from its members at a meeting of the enterprise council by open or secret voting.

Chapter 13. Enterprise Manager

Article 52. Procedure and Terms of Hiring (Appointing, Electing) a Manager

When an enterprise manager is hired (appointed, elected) to a post, a contract (agreement, arrangement) is concluded with him, which determines the rights, duties, and responsibility of the enterprise manager and the terms of his material security and release from the post held with due regard for the guarantees provided for by existing legislation.

Article 53. Powers of the Enterprise Manager

The enterprise manager independently solves all problems concerning enterprise activity with the exception of those related by this law to the competence of the general meeting (conference) of the labor collective and enterprise council (board).

The enterprise manager acts on behalf of the enterprise without power of attorney, represents his interests at all enterprises, institutions, and organizations, disposes of enterprise property, concludes contracts, including labor contracts, issues powers of attorney, opens current and other accounts in banks, has the right to dispose of funds, approves staffs of the executive management apparatus, issues orders, and gives directives obligatory on all enterprise workers.

Article 54. Release of the Enterprise Manager From the Post Held

The enterprise manager can be released from the post held before the expiration of the contract term on the grounds provided for in the contract or in existing legislation.

Chapter 14. Deputy Managers of an Enterprise and Managers of Its Structural Subdivisions

Article 55. Procedure of Appointing Deputy Managers of an Enterprise and Managers of Its Structural Subdivisions

Deputy managers of an enterprise and managers of subdivisions of the managerial apparatus and structural subdivisions (production facilities, shops, divisions, departments, sections, farms, other similar enterprise subdivisions, and an association's structural unit), as well as foremen and senior foremen, are appointed to and released from posts by the enterprise manager.

In individual cases connected with the specific nature of an enterprise and enterprise bylaws another procedure of appointing deputy managers of an enterprise and managers of its structural subdivisions can be provided for.

Article 56. Procedure of Electing Brigade Leaders

Brigade leaders are elected at meetings of brigade collectives (by secret or open voting) and are approved by the manager of the subdivision, of which these brigades form part.

In individual cases connected with the specific nature of an enterprise and enterprise bylaws another procedure of appointing brigade leaders can be provided for.

Article 57. Obligatory Nature of Decisions by Deputy Managers of an Enterprise and Managers of Its Structural Subdivisions

Decisions by deputy managers of an enterprise and managers of structural subdivisions are obligatory on all workers subordinate to them.

SECTION V. ECONOMIC AND SOCIAL ACTIVITY OF AN ENTERPRISE

Chapter 15. Enterprise Profit

Article 58. Enterprise Profit

At all types of enterprises profit is the basic generalizing indicator of financial results of an enterprise's economic activity.

Article 59. Net Profit. Directions in Its Use

The profit left at an enterprise after tax and other payments into the budget (net profit) is at its full disposal. An enterprise independently determines the directions in the use of net profit if nothing else is provided for by bylaws.

The state effect [missing words] on the use of net profit is exerted through taxes, tax privileges, and economic sanctions.

Article 60. Transfer of Part of the Net Profit to the Ownership of Members of the Labor Collective at an Enterprise

In cases provided for by Belorussian SSR legislative acts or enterprise bylaws part of the net profit is transferred to the ownership of members of the labor collective at an

enterprise. The amount of this profit and the procedure of its distribution are determined by the enterprise council (board).

The amount of profit belonging to a member of the labor collective forms his contribution. Shares in the amount of the contribution can be issued to a member of the labor collective. An enterprise annually pays interest (dividends) at rates and in accordance with the procedure determined by bylaws to a member of the labor collective.

A member of the labor collective has the right to receive the amount of his contribution (value of shares) in accordance with the procedure and during the period determined by bylaws.

Chapter 16. Labor Income of an Enterprise Worker

Article 61. Labor Income of an Enterprise Worker

The labor income of every worker, regardless of the type of enterprise, is determined by his personal labor contribution with due regard for the final result of enterprise work, is regulated by taxes, and is not limited to maximum amounts.

Article 62. Minimum Amount of Workers' Wages

The minimum amount of workers' wages at all types of enterprises is established by Belorussian SSR legislative acts.

Article 63. Forms, Systems, and Amounts of Wages

Forms, systems, and amounts of wages, as well as other types of workers' income, are established by an enterprise independently.

Enterprises can use state wage rates and salaries as guidelines for wage differentiation depending on workers' occupations and skills and on the complexity and conditions of the jobs done by them.

Chapter 17. Planning of Enterprise Activity

Article 64. Basic Planning Principles

An enterprise independently plans its activity and determines the prospects for development, proceeding from the demand for produced products, jobs, and services and the need to ensure the enterprise's production and social development and to increase the personal income of its workers.

Contracts concluded with consumers (purchasers) of products, jobs, and services and with suppliers of material and technical resources form the basis for plans.

Article 65. Execution of Jobs and Deliveries for State Needs

An enterprise executes jobs and deliveries for state needs on a contractual basis in accordance with the procedure determined by Belorussian SSR legislative acts.

Article 66. Coordination of Individual Measures by an Enterprise During Plan Preparation

During plan preparation an enterprise coordinates with the appropriate soviets of people's deputies measures that can bring about ecological, social, demographic, and other consequences affecting the interests of the territory's population.

Chapter 18. Economic Relations of an Enterprise With Other Enterprises, Organizations, and Citizens

Article 67. Economic Relations of Enterprises With Other Enterprises, Organizations, and Citizens

Relations of an enterprise with other enterprises, organizations, and citizens in all spheres of economic activity are based on contracts.

Enterprises are free to choose the object of a contract and to determine the obligations and any other conditions of mutual economic relations not contradicting existing legislation.

Article 68. Limitation of Free Sale of Products, Jobs, and Services

The list of types of products, jobs, and services, the free sale of which is prohibited or limited, is established by the Belorussian SSR Council of Ministers.

Article 69. Mutual Relations Between an Enterprise and a Consumer

In its activity an enterprise takes into account the consumer's interests and his requirements for the quality of products, jobs, and services.

The consumer's interests and rights are protected by Belorussian SSR legislative acts.

Chapter 19. Material and Technical Provision

Article 70. Material and Technical Provision

On the basis of a study of market conditions and the capabilities of potential partners, as well as of information on the price movement, an enterprise organizes material and technical provision for its own production and capital construction through the purchase of resources on the market of goods and services.

The purchase of resources on the market of goods and services is made by an enterprise directly from producers and in wholesale trade, including at fairs, at auctions, from organizations for material and technical supply, and from other intermediate organizations.

Material and technical provision for enterprises of public organizations of disabled persons is carried out from centralized republic resources.

Chapter 20. Prices and Price Formation

Article 71. Price Setting Procedure

An enterprise sells its products, jobs, services, and production waste at prices and rates set independently or on a contractual basis and, in cases provided for by Belorussian SSR legislative acts, at state prices.

State regulation is permitted for products of enterprises holding a monopoly position on the market of goods, as well as for resources determining the price scale in the economy and social protection for citizens.

Article 72. Responsibility for Breach of State Price Discipline by an Enterprise

In case of a breach by an enterprise of state discipline concerning prices and rates of products, jobs, and services the excessively obtained amount is subject to withdrawal. Furthermore, a fine is imposed on an enterprise in accordance with the procedure and amounts established by Belorussian SSR legislative acts.

Chapter 21. Financial and Credit Relations

Article 73. Sources of Formation of an Enterprise's Financial Resources

Profit, depreciation allowances, funds obtained from the sale of securities, fixed contributions of members of the labor collective, enterprises, organizations, and citizens, as well as other receipts, are the sources of formation of an enterprise's financial resources.

Article 74. Use of Bank Credit

An enterprise uses bank credit on a commercial contractual basis.

Article 75. Procedure of Opening of Accounts in Banks by an Enterprise

An enterprise has the right to open current and other accounts in any bank for keeping funds and conducting all types of current, credit, and cash operations.

Article 76. Procedure of Settlements by an Enterprise

All the settlements of an enterprise, including payments into the budget and wage payments, are made in a calendar order of receipt of accounting documents (arrival of the dates of payment). An enterprise's settlements with respect to its obligations with other enterprises, as a rule, are made by book entry through bank institutions. Cash settlements with enterprises and citizens are made in accordance with the rules of performance of settlement and cash operations.

Article 77. Delivery of Products and Performance of Jobs According to Credit Contracts. Responsibility of an Enterprise for the Observance of Credit Contracts and Settlement Discipline

An enterprise can deliver products, perform jobs, provide services on credit with the payment by customers (consumers) of interest as for the use of loans. For legalizing such trade transactions an enterprise can use promissory notes in the economic turnover.

An enterprise bears full responsibility for the observance of credit contracts and settlement discipline. An enterprise, which systematically does not fulfill its obligations with respect to settlements, can be declared insolvent by a bank. The measures of effect and procedure of their application to such enterprises are determined by banks in accordance with Belorussian SSR legislative acts.

Chapter 22. Foreign Economic Activity of an Enterprise

Article 78. Implementation of Foreign Economic Activity

An enterprise has the right to independently implement foreign economic activity in accordance with existing legislation.

Article 79. Currency Proceeds and Currency Deductions

Currency proceeds are entered in the currency balance account of an enterprise and are used by it independently. Currency deductions at the disposal of the republic and local soviets of people's deputies are made from the currency proceeds of an enterprise after the deduction of direct currency expenses incurred by this enterprise from its currency funds.

The rates of deductions in favor of the republic and local soviets of people's deputies are regulated by Belorussian SSR legislative acts.

Other withdrawals of the currency funds of an enterprise are prohibited.

Chapter 23. Social Activity of an Enterprise

Article 80. Procedure of Solving Problems of Social Development

Problems of social development, including improvement in working, living, and health conditions and guarantees of mandatory medical insurance for members of the labor collective and their families, are solved by the labor collective with the participation of the enterprise administration in accordance with Belorussian SSR legislative acts.

Article 81. Provision of Safe Working Conditions by an Enterprise

An enterprise must provide safe working conditions for all those working at it and bears responsibility in accordance with the procedure established by law for the damage done to their health and work fitness.

Article 82. Rights of Pensioners, Who Worked at an Enterprise, to Social Services and Privileges

Pensioners, who worked at an enterprise before retiring on pensions, take advantage, equally with its workers, of the enterprise's existing opportunities for medical services and provision with housing and passes to health-improving and preventive institutions and, in accordance with the decision of the collective's general meeting (conference), of other social services and privileges.

Article 83. Privileges for Women Working at an Enterprise

An enterprise must constantly improve women's working and living conditions, ensure primarily day work with a shorter work day for women with young children, transfer pregnant women to jobs with harmless working conditions, and grant women other privileges provided for by legislation. An enterprise with harmful working conditions with the labor collective's consent can establish individual shops and sections for offering women easier jobs.

Article 84. Social Privileges for Enterprise Workers

The labor collective independently establishes for its workers additional leaves, a shorter work day, and other social privileges within the limits of earned funds allocated for consumption.

Article 85. Material Incentives for Workers at Institutions and Organizations Servicing the Labor Collective of an Enterprise

An enterprise can provide material incentives for workers at enterprises, institutions, and organizations servicing the labor collective and not forming part of it.

Article 86. Examination of Citizens' Requests and Appeals to an Enterprise

An examination of citizens' requests and appeals concerning problems connected with enterprise activity and the adoption of decisions on them is the exclusive duty of the enterprise administration.

SECTION VI. ENTERPRISE AND STATE

Chapter 24. Guarantees of Rights and Interests of an Enterprise

Article 87. Guarantees of Rights and Interests of an Enterprise

The state guarantees the observance of rights and legal interests of an enterprise.

When carrying out economic and other activities, an enterprise has the right to adopt on its own initiative any decisions not contradicting existing legislation.

Interference in economic and other activities of an enterprise on the part of state, public, and cooperative bodies is not permitted if it does not touch on the rights of state bodies to control the activities of enterprises provided for by existing legislation.

Article 88. Responsibility of State or Other Bodies and Their Officials for Violating the Rights of an Enterprise

State and public bodies and their officials, when adopting decisions concerning an enterprise and in their relations with it, bear responsibility for observing the provisions of this law.

State bodies and officials can give an enterprise directives only in accordance with their competence established by legislation. In case a state or another body issues an act not corresponding to its competence or requirements of legislation, an enterprise has the right to turn to the court or to the state board of arbitration with a declaration considering such an act invalid.

Damage done to an enterprise as a result of the fulfillment of directives by state or other bodies, or by their officials, who violated enterprise rights, as well as owing to an improper fulfillment by such bodies or their officials of obligations with respect to the enterprise provided for by legislation, is subject to compensation by these bodies. Disputes concerning compensation for damage are resolved by the court or the state board of arbitration in accordance with their competence.

Article 89. Provision of Legal and Economic Conditions for the Economic Activity of an Enterprise by the State

The state provides equal legal and economic conditions of management for an enterprise irrespective of the forms of property.

The state promotes the development of a market, regulating it by means of economic levers and incentives, realizes antimonopoly measures, and ensures social protection for workers.

The state creates preferential conditions for enterprises engaged in technical improvement in production and, primarily, introducing discoveries, inventions, and rationalization proposals.

Bodies of state management build their relations with an enterprise, using economic levers—interest on deposits and loans, income from securities, prices, taxes, tax privileges, economic sanctions, grants and subsidies for specific purposes, the rate of exchange, norms of depreciation allowances, and social, ecological, and other norms and normatives.

In case a state of emergency is declared in accordance with the decree of the Belorussian SSR Supreme Soviet enterprises must fulfill the directives of the Belorussian SSR Government.

Chapter 25. Recording and Reporting**Article 90. Enterprise Recording and Reporting**

An enterprise carries out current recording and bookkeeping of results of its work and submits statistical reporting.

Article 91. Procedure of Submission of Statistical Reporting

Forms of state statistical reporting are established by state statistical bodies and include only actual data, as well as addresses and dates of its submission. It is prohibited to demand the submission of statistical reporting with a violation of the procedure established by this law. Information not provided for by state statistical reporting can be submitted by an enterprise on a contractual basis, or on the demand of bodies, to which legislation gives the right to control individual aspects of enterprise activity.

Article 92. Responsibility for Distorting State Reporting

For distorting state reporting enterprise officials bear the disciplinary, material, or criminal responsibility established by legislation.

Chapter 26. Commercial Secret of an Enterprise**Article 93. Concept of a Commercial Secret**

By the commercial secret of an enterprise is meant information that is not a state secret and is connected with production, technological data, management, finances, and other enterprise activity, the divulgence (transmission, leakage) of which can damage its interests.

Article 94. Procedure of Determining the Composition and Volume of Information Constituting a Commercial Secret

The composition and volume of information constituting a commercial secret and the procedure of protecting it are determined by the enterprise manager.

Types of enterprise activities, the information on which cannot constitute a commercial secret, are determined by the Belorussian SSR Council of Ministers for the purpose of preventing the concealment by an enterprise of information on environmental pollution and other negative activities capable of doing damage to society.

Article 95. Responsibility for Divulging Information Constituting a Commercial Secret

The responsibility for divulging information constituting the commercial secret of an enterprise and for violating the procedure of protecting such information is established by Belorussian SSR legislative acts.

Chapter 27. Enterprise Responsibility**Article 96. Responsibility for Violating Rules of Implementation of Economic Activity**

For violating contractual obligations, temporary credit and tax discipline, requirements for the quality of

output, and other rules of implementation of economic activity an enterprise bears the full property responsibility provided for by existing legislation.

The payment of fines and penalties for violating contractual terms, as well as compensation for the damage done, does not release an enterprise, without the consumer's consent, from fulfilling obligations concerning deliveries of products, performance of jobs, or provision of services.

Article 97. Responsibility for Violating the Regime of Nature Use, Production Safety Rules, and Sanitary-Hygienic Norms and Requirements

An enterprise must compensate for the damage done owing to nonobservance of requirements for an efficient use of land and other natural resources, protection of the environment against pollution and other harmful effects, and violation of production safety rules and sanitary-hygienic norms and requirements for protecting the health of its workers, the population, and consumers of products, as well as pay a fine in the amount established by legislation.

The activity of the enterprise violating the established regime of nature use in accordance with the procedure provided for by Belorussian SSR legislative acts can be suspended until the committed violations are eliminated.

Chapter 28. Control Over Enterprise Activity**Article 98. Overall Audit of the Financial and Economic Activity of an Enterprise**

An overall audit of the financial and economic activity of an enterprise can be made on the owner's initiative no less often than once a year. The results of the audit are reported to the enterprise.

Article 99. Control Over Individual Aspects of Enterprise Activity

Tax and other state bodies entrusted by Belorussian SSR legislative acts with checking individual aspects of enterprise activity can make such checks as the need arises and strictly within their competence. An enterprise has the right not to fulfill the demands of these bodies concerning matters not within their competence and not to familiarize them with materials not pertaining to the subject of control.

The results of audits are reported to the enterprise.

Chapter 29. Relations of an Enterprise With Bodies of State Management and Local Soviets of People's Deputies**Article 100. Mutual Relations of an Enterprise With Bodies of State Management and Local Self-Administration**

Mutual relations of an enterprise with bodies of state management and local self-administration are built in accordance with this law and other Belorussian SSR legislative acts, which establish the competence of these bodies.

Article 101. Participation of an Enterprise in the Formation of Nonbudget Financial Funds for Specific Purposes

An enterprise has the right to take part on a strictly voluntary basis in the formation of nonbudget financial funds for specific purposes of the republic and local soviets of people's deputies.

Article 102. Participation of an Enterprise in the Overall Economic and Social Development of a Territory

An enterprise participates on a voluntary contractual basis in work on an overall economic and social development of a territory carried out by the local soviet of people's deputies with budget funds.

In accordance with the decision of the local soviet of people's deputies or the state body an enterprise must establish with the funds of these bodies special workplaces for persons with limited work fitness.

Article 103. Withdrawal of Living Space Built With the Funds of an Enterprise

The withdrawal of living space built with the funds of an enterprise by local soviets of people's deputies or other bodies is not permitted without the consent of the enterprise's labor collective with the exception of extraordinary cases provided for by other Belorussian SSR legislative acts.

SECTION VII. LIQUIDATION AND REORGANIZATION OF AN ENTERPRISE

Chapter 30. Conditions of Liquidation and Reorganization of an Enterprise

Article 104. Conditions of Liquidation and Reorganization of an Enterprise

The liquidation and reorganization (merging, joining, division, separation, or transformation) of an enterprise are carried out in accordance with the decision of the owner of its property, or the body authorized to establish such enterprises, or in accordance with the decision of the court or the board of arbitration.

The reorganization of an enterprise, which can cause ecological, social, demographic, and other consequences affecting the interests of the territory's population, should be coordinated with the appropriate soviet of people's deputies.

An enterprise is also liquidated in the following cases:

—if it is declared bankrupt;

—if a decision is adopted on banning the activity of an enterprise owing to nonfulfillment of the conditions established by legislation and observance of these conditions is not ensured, or the type of activity is not changed, during the period provided for by the decision;

—if the court decision considers the constituent acts concerning the establishment of an enterprise invalid;

—on other grounds provided for by Belorussian SSR legislative acts.

An enterprise is considered reorganized or liquidated from the time of its exclusion from the register of Belorussian SSR state registration.

Article 105. Guarantees of the Rights of Dismissed Workers

During the reorganization and liquidation of an enterprise dismissed workers are guaranteed the observance of their rights and interests in accordance with existing legislation.

Article 106. Reorganization (Merging, Joining, Division, Separation, and Transformation) of an Enterprise

In case an enterprise merges with another enterprise, all property rights and obligations of each of them are transferred to the enterprise arising as a result of the merging.

When one enterprise joins another, all the property rights and obligations of the joined enterprise are transferred to the former.

In case an enterprise is divided, the property rights and obligations of the reorganized enterprise are transferred according to the dividing act (balance), in appropriate parts, to the new enterprises arising as a result of this division.

When one or several new enterprises separate from an enterprise, the property rights and obligations of the reorganized enterprise are transferred to each of them according to the dividing act (balance) in appropriate parts.

When one enterprise is transformed into another, all the property rights and obligations of the previous enterprise are transferred to the newly arising enterprise.

Article 107. Liquidation Commission

The liquidation of an enterprise is carried out by a liquidation commission formed by the owner or the body authorized by him and, in case of the enterprise's bankruptcy, by the court or the board of arbitration. In accordance with their decision the liquidation can be carried out by the enterprise itself in the person of its management body.

The owner, or the court (board of arbitration), or the body authorized to establish enterprises, which adopted the decision on liquidating an enterprise, establishes the procedure and period of liquidation, as well as the period for filing creditors' claims, which can be no less than two months from the time the liquidation is announced.

The liquidation commission, or another body conducting the liquidation of an enterprise, places an

announcement on its liquidation and on the procedure and period of filing claims by creditors in the official press at the enterprise's location. Along with this announcement the liquidation commission (body conducting the liquidation) must carry out work on collecting the debts owed to the enterprise and on uncovering creditors' claims, notifying the latter of the enterprise's liquidation.

The liquidation commission (body conducting the liquidation) evaluates the available property of the liquidated enterprise, settles accounts with creditors, draws up the liquidation balance, and submits it to the owner or to the body that appointed the liquidation commission.

Chapter 31. Satisfaction of Creditors' Claims

Article 108. Procedure of Satisfaction of Claims

Creditors' claims against the liquidated enterprise are satisfied from the property of this enterprise. At the same time, debts to budgets are satisfied and expenditures on the recultivation of land used by the liquidated enterprise are compensated for on a priority basis.

Claims uncovered and filed after the expiration of the date established for filing them are satisfied from the enterprise property left after the satisfaction of top-priority claims, uncovered claims, and claims filed during the established period.

Claims not satisfied owing to the shortage of property are considered liquidated. Claims not recognized by the liquidation commission (body conducting the liquidation) are also considered liquidated if during the period of one month from the day of receipt of the notice on a full or partial nonrecognition of claims creditors do not bring action to the court or to the state board of arbitration for the satisfaction of their demands.

Article 109. Obligations of an Enterprise to Members of the Labor Collective and Other Citizens During Its Liquidation

During the liquidation of an enterprise time payments due from this enterprise in connection with injury, or other damage to health, or with a citizen's death are capitalized.

During the liquidation of an enterprise the contribution of a member of the labor collective is given him in the form of money or securities after creditors' claims are satisfied.

Article 110. Use of Property Left After the Satisfaction of Claims

Property left after the claims of creditors and members of the labor collective are satisfied is used according to the owner's instructions.

Article 111. Succession During the Reorganization of an Enterprise

During the reorganization of an enterprise its rights and duties are transferred to successors.

On the Belorussian SSR Draft Law: "On Enterprises in the Belorussian SSR"

We ask that you send your remarks and suggestions on this draft law before 15 November 1990 to the following address: Commission on Problems of Development of Industry, Power Engineering, Transport, Communication, and Information Science, Belorussian SSR Supreme Soviet, Minsk, 220010

Azerbaijan Draft Legislation on Land

914.40103A Baku BAKINSKIY RABOCHIY in Russian
28, 29 Aug 90 pp 1-4

[Unattributed article: "Land Code of the Azerbaijan SSR"]

[28 Aug 90, pp 1, 2]

[Text]

This code regulates land relations and is aimed at the creation of conditions for the efficient utilization and protection of the land, the reproduction of the fertility of the soil, the preservation and improvement of the natural environment and the development of all forms of economic activity equal under the law.

Section I. General Provisions

Part I. Fundamental Provisions

Article 1. Land legislation of the Azerbaijan SSR.

Land relations in the Azerbaijan SSR are regulated by this code and other acts of land legislation promulgated in accordance with it by the Azerbaijan SSR.

Article 2. Regulation of mining, timber and water relations.

Mining, timber and water relations, relations in the utilization and protection of the plant and animal world and the air are regulated by special legislation of the Azerbaijan SSR.

Article 3. Land—the inalienable and indivisible property of the Azerbaijan SSR.

The land is the inalienable and indivisible property of the Azerbaijan SSR.

Every citizen of the Azerbaijan SSR has the right to a plot of land, the terms and procedure for the granting of which are defined by this code.

Article 4. The composition of the land.

All the lands of the Azerbaijan SSR are subdivided in accordance with their dedicated purpose into:

- 1) lands for agricultural purposes;
- 2) lands for populated areas (cities, city-type settlements and rural populated areas);
- 3) lands for industry, transport, communications, defense and other purposes;
- 4) lands for environmental, health, recreational and historical or cultural purposes;
- 5) forest lands;
- 6) water areas; and
- 7) lands in reserve.

Article 5. Authority of the soviets of people's deputies to dispose of lands.

The soviets of people's deputies grant plots of land for possession and use to citizens, kolkhozes, sovkhozes and other state cooperative or public enterprises, institutions and organizations and, in cases stipulated by legislation, to other organizations and individuals.

The soviets of people's deputies may retract plots of land in accordance with Articles 26-33 of this code.

Part II. Possession and Use of Lands

Article 6. Granting of land for possession.

Land is granted to citizens for lifetime and hereditary possession for the needs envisaged in Article 55 of this code. Land is granted for the permanent possession of kolkhozes, sovkhozes and other state cooperative or public enterprises, institutions and organizations and religious organizations for the pursuit of farming or the timber industry.

Article 7. Granting of lands for the use of the USSR and other union republics.

The granting of plots of land for the use of the USSR (its bodies and organizations) to meet statewide or nationwide requirements is implemented by agreement between the Azerbaijan SSR and the USSR on a compensated basis.

The granting of plots of land for the use of other union republics (their bodies and organizations) is implemented by agreement between the Azerbaijan SSR and the other union republics on a compensated basis.

Disputes arising between the Azerbaijan SSR and the USSR and other union republics in connection with the granting and utilization of land are considered under the procedure of third-party hearing or under other procedures stipulated by legislation.

Article 8. The use of lands.

Land is granted for permanent or temporary use:

- a) to citizens of the Azerbaijan SSR for the purposes indicated in Articles 56-62 of this code;
- b) to industrial, transport and other agricultural state, cooperative and public enterprises, institutions and organizations;
- c) to organizations as indicated in Article 104 of this code for the needs of defense;
- d) to religious organizations;
- e) to joint ventures and international associations and organizations with the participation of republic and foreign legal entities.

Article 9. Terms of land use.

Land is granted for permanent or temporary use.

The use of land without a time period stipulated in advance is deemed to be permanent.

Temporary use of the land may be short-term—less than three years—and long term—up to ten years. These terms may be extended by a period not exceeding the periods of short-term or long-term use respectively in the event of production necessity.

The lengthening of the indicated terms is done by the same body that granted the plot of land for use.

Plots of land for livestock grazing are granted to peasant farms, kolkhozes, sovkhozes and other agricultural enterprises, institutions and organizations for long-term use for a term of up to twenty five years.

Part III. Leasing Lands

Article 10. The granting of plots of land for leasing.

Land is granted for temporary use on lease terms to citizens, kolkhozes, sovkhozes and other state, cooperative and public enterprises, institutions and organizations, joint ventures, international associations and organizations with the participation of republic and foreign legal entities, as well as foreign states, international organizations, foreign legal entities and citizens.

Article 11. Procedure and terms for granting land for leasing.

Plots of land are granted for temporary use on lease terms by the corresponding soviets of people's deputies.

Kolkhozes, sovkhozes and other state and cooperative agricultural enterprises may consolidate the land for individual workers and a lease collective under the procedures for intra-organizational land use. The terms of the lease are determined by agreement of the parties and consolidated in a contract.

Article 12. The form and procedure for registering contracts for the leasing of land.

The form and procedure for the registration of contracts for the leasing of lands for temporary use are defined by the Councils of Ministers of the Azerbaijan SSR and the Nakhichevan ASSR.

Article 13. The preferential right of the lessee.

The lessee has the preferential right to renew the land lease contract upon expiration of its term.

Article 14. Procedure for transferring leased lands to possession.

Plots of land leased for agricultural purposes may be transferred to the possession of the lessee by consent of the parties.

Article 15. Regulating land relations.

Relations in the leasing of land are regulated by this code, as well as by the Azerbaijan SSR Leasing Law.

Part IV. The Granting of Lands**Article 16. The allocation of plots of land.**

The granting of plots of land for possession and use is accomplished through the procedure of allocation.

The allocation of a plot of land includes determination of the physical boundaries of the plot (on the terrain) and its delimitation from other plots of land using boundary markers and other delimiting signs. The purpose for which the land is being allocated and the basic terms of the use of the land are indicated in decrees or resolutions granting plots of land.

Article 17. Procedure for instigating and considering petitions for the granting of plots of land.

The procedure for instigating and considering petitions for the granting of plots of land is established by the Azerbaijan SSR Council of Ministers.

Article 18. Secondary land possession and use.

The granting of a plot of land for possession or use to another landholder or land user is performed only after the retraction of that plot under the procedure stipulated by Articles 26-33 of this code.

Article 19. Granting of lands for agricultural needs.

Lands suitable for the needs of agriculture should be granted first and foremost for agricultural purposes.

The suitability of land for the needs of agriculture is determined by the land-use management service of the Azerbaijan SSR on the basis of materials from soil, geobotanical, water, land-reclamation, agro-economic and other research.

Article 20. Terms for the granting of lands for non-agricultural needs.

Lands for non-agricultural purposes or that are unsuitable for agriculture, or agricultural lands of poor quality, are granted for the construction of industrial enterprises, residential sites, railroads and motor roads, electrical-transmission lines and trunk pipelines, as well as for other non-agricultural needs.

The granting of plots of lands for the indicated purposes from the lands of state forests is done preferentially with areas not covered by forest, or areas covered with brush and low-value plants.

The placement of industrial facilities and their service lines on agricultural lands should be performed in such a way as not to create inconveniences for the use of the remaining lands by kolkhozes, sovkhozes and other agricultural enterprises and organizations.

The granting of plots of land for urban development on areas above occurrences of useful minerals is done by consent of the bodies of state mining oversight.

Electrical-transmission lines, communications and other service lines are run chiefly along roadways, existing rights-of-way and the like.

Article 21. The deed attesting to the right of land use and land possession.

The right of possession and the right of permanent use of lands are attested by the State Deed.

The form of the State Deed and the procedure for registering and issuing it are determined by the Azerbaijan SSR Council of Ministers.

Article 22. Procedure for issue of documents for the right to possess and the right to use lands.

The state deeds for the right of possession and the right of permanent use of the lands is issued to kolkhozes, sovkhozes and other state, cooperative and public enterprises, institutions and organizations, as well as citizens, by the executive committees of rayon or city (cities of republic subordination) soviets of people's deputies on whose territory the plots of land being granted for possession or permanent use are located.

Part V. Termination of Right to Possess and Right to Use Lands**Article 23. Grounds for terminating the right to possess and the right to use lands.**

The right to possess and the right to use all plots of land or portions of them are terminated by the soviet of people's deputies in cases of:

- 1) voluntary refusal of the plot of land;
- 2) expiration of the term for which the plot of land was granted;
- 3) cessation of the activity of the enterprise, institution, organization or peasant farm;
- 4) utilization of the land for other than its designated purpose;
- 5) cessation of the labor relations in connection with which an official allotment was granted;
- 6) the inefficient utilization of the plot of land as expressed in a level of harvest yields below the standards for lands for agricultural purposes (according to tax-register valuation);
- 7) utilization of the plot of land using methods leading to a reduction in the fertility of the soil, its chemical or radioactive contamination or a worsening of the ecological situation;
- 8) a systematic failure to pay land taxes in the time periods stipulated by the Councils of Ministers of the

Azerbaijan SSR and the Nakhichevan ASSR, as well as lease payments in the time periods stipulated by the lease contract;

9) failure to utilize a plot of land granted for agricultural production over the course of a year, or over two years for non-agricultural production;

10) the retraction of the land in cases envisaged by this code.

Clauses 6 and 9 of the first part of this article do not extend to the right to possess the land by citizens engaged in peasant farming over the course of three years from the time the plot of land is granted.

Article 24. Termination of right to use leased lands.

The right to use leased lands is terminated with the abrogation of the lease contract for the land in cases stipulated by the Azerbaijan SSR Leasing Law.

Article 25. The transfer of the right to possess and right to use a plot of land.

The right to possess or the right to use a plot of land under the procedure and terms stipulated by the legislation of the Azerbaijan SSR passes with the transfer of the right of ownership of buildings and structures. The right to possess a plot of land passes to a new owner on the basis of documents stipulating the right of ownership to the structure. The documents for the possession of a plot of land are reformulated in the name of the new owner.

In the transfer of the right of ownership of a structure to several citizens, each of them uses the corresponding portion of the plot of land.

Part VI. The Taking of Lands

Article 23 [number as published]. Basis for the taking of lands for state or public needs.

The taking of a plot of land or a portion of it for state or public needs is performed by resolution of the soviet of people's deputies with the consent of the landholder or by consent of the landholder under the procedures stipulated in Articles 27-33 of this code.

Article 27. The authority of the Azerbaijan SSR Council of Ministers to take lands.

The soviet of people's deputies of the Azerbaijan SSR Council of Ministers performs the taking of plots of land for state or public needs from among any lands regardless of the size of the plots being taken.

The taking of agricultural lands for non-agricultural needs, arable lands and greenbelts, experimental fields of scientific-research academic institutions and first-category forests for state and public needs may be

permitted only in exceptional cases and based on a decree of the Azerbaijan SSR Council of Ministers.

Article 28. The authority of the Nakhichevan ASSR Council of Ministers to take lands.

The Council of Ministers of the Nakhichevan ASSR performs the taking of any lands for state and public needs regardless of the size of the plot being taken, including lands enumerated in the second part of Article 27 of this code.

Article 29. The authority of the local soviets of people's deputies to take lands.

The local soviets of people's deputies and the soviet of people's deputies of the Nagorno-Karabakh Autonomous Oblast perform the taking of lands for state or public needs from among any lands regardless of the size of the plots being taken, with the exception of those indicated in the second part of Article 27 of this code.

Article 30. The procedure for taking lands with the demolition of residential structures.

The taking of plots of land with the demolition of residential structures belonging to citizens under the right of private ownership is performed with the permission of the Councils of Ministers of the Azerbaijan SSR and the Nakhichevan ASSR.

Article 31. The terms for the taking of lands for state and public needs.

The granting of agricultural lands in kind for land taken for non-agricultural needs is performed to the extent of actual necessity, as a rule after the gathering of the harvest.

Enterprises, institutions and organizations with an interest in the taking of plots of land are obligated to obtain the preliminary consent of the landholders and land users before the start of planning, as well as for the site for locating the facility, the approximate size of the plot and the terms for its allocation from the local soviets of people's deputies with a regard for ensuring the comprehensive development of the territory.

The financing of planning operations before preliminary consent is not permitted.

The taking of lands from kolkhozes, sovkhozes and other agricultural enterprises for their granting to citizens and agricultural cooperatives is accomplished by the city soviet of people's deputies in case and under the procedure stipulated by this code and other legislation of the Azerbaijan SSR and the Nakhichevan ASSR.

Article 32. Procedure for appealing the decisions of the local soviets on the taking of lands.

If the landholders and land users do not agree with the decision of the soviet of people's deputies on the taking of lands, it may be appealed through the courts.

Article 33. Lands not subject to taking.

The taking of especially valuable and productive lands, as defined in accordance with the level of tax-register valuations for a given region, as well as lands that are occupied by especially protected natural, historical or cultural sites, is not permitted.

The list of those lands is established by the Councils of Ministers of the Azerbaijan SSR and the Nakhichevan ASSR.

Part VII. The Land Tax and Lease Payments for Land**Article 34. Payments for the possession and use of lands.**

Land possession and land use in the Azerbaijan SSR are subject to payment.

The payments for the land are exacted in the form of the land tax or the lease payment, determined depending on the quality and location of the plot of land.

The procedure and rates of taxation are established by the Councils of Ministers of the Azerbaijan SSR and the Nakhichevan ASSR.

Article 35. The land tax.

The land tax is exacted: from citizens, kolkhozes, sovkhozes and other state, cooperative and public enterprises, institutions and organizations, and religious organizations for plots of land granted for lifelong hereditary possession and for permanent possession; as well as from citizens, industrial, transport and other non-agricultural state, cooperative and public enterprises, institutions and organizations, international associations and organizations with the participation of Soviet and foreign legal entities, for plots of land granted to them for permanent or temporary use (including official allotments).

Article 36. Lease payments.

Citizens, kolkhozes, sovkhozes and other state, cooperative and public enterprises, institutions and organizations, joint ventures and international associations and organizations with the participation of Soviet and foreign legal entities, as well as foreign states, international organizations and foreign legal entities and citizens, make lease payments for plots of land granted for temporary use.

The size of the lease payment is established by consent of the parties based on the conclusion of a contract and is determined proceeding from the provisions approved by the Councils of Ministers of the Azerbaijan SSR and the Nakhichevan ASSR.

Article 37. The earmarking of the payments coming from landholders and land users.

The payments for land go to the budgets of the local soviets of people's deputies. The payments, by decision of the Council of Ministers of the Azerbaijan SSR and

the Council of Ministers of the Nakhichevan ASSR, may be partially centralized in the budgets of the union republic and the autonomous republic, and are directed first and foremost toward safeguarding the lands, raising their quality, for material incentives for landholders and land users, including lessees, and for the implementation of those measures, as well as for land-use management and the social development of the territory.

Article 38. Payments for forest lands.

Payments for forest lands are exacted as part of the fees for forest use.

Article 39. The authority of the Councils of Ministers of the Azerbaijan SSR and the Nakhichevan ASSR to grant privileges (in the exaction of payments).

The Councils of Ministers of the Azerbaijan SSR and the Nakhichevan ASSR have the right to release landholders and land users either partially or completely from the payment of fees for the land for a certain period of time, to postpone payment and to reduce the rates of the land tax.

Article 40. Unpaid land possession and land use.

Preserves, national parks and arboreta, botanical gardens, as well as enterprises, institutions, organizations, collectives and citizens who have obtained ruined or poorly productive lands, are released from the payment of land fees.

Article 41. Privileges in the exaction of payments for the land.

Wildlife sanctuaries, the experimental farms of scientific-research institutions and educational institutions in agricultural fields, institutions of culture, education, health care, as well as enterprises engaged in traditional fields in places of residence and economic activity by small peoples and ethnic groups, and other enterprises, institutions, organizations and citizens may be released from the land fees under the procedure stipulated by the Councils of Ministers of the Azerbaijan SSR and the Nakhichevan ASSR or by resolution of the corresponding soviet of people's deputies.

Part VIII. The Authority of the Azerbaijan SSR, Nakhichevan ASSR and the Local Soviets in the Realm of Regulating Land Relations**Article 42. The authority of the local soviets of people's deputies in the realm of regulating land relations.**

The executive committee of the soviet of people's deputies of the Nagorno-Karabakh Autonomous Oblast grants plots of land for possession, use and leasing to the citizens of the Azerbaijan SSR, enterprises, institutions and organizations; registers the rights of land possession, the rights of land use and contracts for leasing land; organizes the execution of land-register documentation; takes plots of land in the cases envisaged by this code.

exact fees for the land and organizes land-use management; and, monitors the utilization and safeguarding of the land.

The executive committees of the rayon and city (cities of republic subordination) soviets of people's deputies grant plots of land for possession, use and leasing to citizens, kolkhozes, sovkhozes and other state, cooperative and public enterprises, institutions and organizations, takes plots of land in accordance with Articles 26-33 of this code, exact fees for the land and registers the rights of land possession, rights of land use and contracts for the leasing of the land.

The executive committees of the town soviets of people's deputies grant plots of land from the lands allocated to the town soviet for possession, use and leasing.

The executive committees of the rural soviets of people's deputies grant plots of land from the lands of rural populated areas for possession, use and leasing under the procedure envisaged by Articles 96-99 of this code.

The granting of lands to organizations and institutions indicated in Clauses C and D of Article 8 of this code is performed with the consent of the Council of Ministers of the Azerbaijan SSR.

Article 43. The bodies that resolve land issues.

The local soviets of people's deputies create commissions of deputies to resolve land issues.

Article 44. The authority of the Azerbaijan SSR in the realm of regulating land relations.

Subject to the authority of the Azerbaijan SSR in the realm of regulating land relations are:

1) the disposal of lands within the limits of the republic for nationwide, inter-republic and republic purposes by consent of the rural, town, city and rayon soviets of people's deputies, as well as the landholders and land users;

2) the development and improvement of the land legislation of the Azerbaijan SSR;

3) the establishment of the boundaries of territories with special legal conditions for the lands in places of habitation and economic activity by small peoples and ethnic groups by consent of the corresponding local soviets of people's deputies;

4) establishment of the procedure and maximum sizes of the fees for land, as well as the privileges in the exaction of payments;

5) the development and fulfillment, in conjunction with the local soviets of people's deputies, of republic programs for the efficient utilization of the land, raising the fertility of the soil and safeguarding land resources as a whole with other environmental-protection measures;

6) the monitoring of the utilization and safeguarding of the land;

7) organization of land-use management and the management of the State Land Register.

Article 45. Authority of the Nakhichevan ASSR in the realm of regulating land relations.

Subject to the authority of the Nakhichevan ASSR in the realm of regulating land relations are the disposal of lands within the bounds of the autonomous republic within the limits stipulated by this code, the monitoring of the observance of legislation regarding the procedure for the use and disposal of lands on the territory of the Nakhichevan ASSR, the development and improvement of land legislation in the autonomous republic and the establishment of the procedure and maximum size for land fees, as well as the privileges in the exaction of payments, the organization of land-use management and the organization of the management of land-register documentation.

Section II. The Rights and Obligations of Landholders and Land Users

Part IX. The Rights and Obligations of Landholders

Article 46. The rights of landholders.

Landholders have the right:

- to farm the land independently;
- to own the agricultural output produced and the income from its sale;
- to utilize generally available minerals, peat, timber and water existing on the plot of land for the needs of farming under established procedure, as well as to exploit other useful properties of the land;
- to erect housing, production, cultural, domestic and other structures and buildings;
- to own the sowings and plantings of agricultural crops and vegetation;
- to receive full compensation for expenditures on increasing the fertility of the land in the event of its taking or the voluntary refusal of the plot of land;
- to transfer the plot of land or a part of it for temporary use in the cases and under the procedure stipulated by this code and other legislation of the Azerbaijan SSR and the Nakhichevan ASSR.

Article 47. The obligations of the landholder.

Landholders are obligated:

- to make efficient use of the land in accordance with its intended purpose, to increase its fertility, to employ nature-protecting types of production technology and not to permit a worsening of the ecological situation on the territory as a result of their economic activity;

- to implement a set of measures to safeguard the land as stipulated by Articles 136-137 of this code;
- to pay the land tax in timely fashion;
- not to violate the rights of other landholders or land users, including lessees.

Part X. The Rights and Obligations of Land Users

Article 48. The rights of land users.

Land users have the right:

- to utilize the land in accordance with the terms for granting it;
- to utilize the minerals, peat, timber and water generally available on the plot of land under established procedure, as well as to exploit other useful properties of the land;
- to erect residential, production, cultural, domestic and other structures and buildings by consent of the soviet of people's deputies that granted the land;
- to obtain compensation for the value of land improvements done at their own expense when the use is halted;
- to own the sowings of agricultural crops and production output;
- to transfer the plot of land or a portion of it in the cases and under the procedure stipulated by this code and other legislation of the Azerbaijan SSR and the Nakhichevan ASSR.

Article 49. Obligations of the land user.

Land users are obligated:

- to ensure the utilization of the land in accordance with its intended purpose and the terms for granting it;
- to make efficient use of the land granted to them, to employ nature-protecting production technologies, and not to permit the worsening of the ecological situation on the territory as the result of their economic activity;
- to implement the set of measures to safeguard the land envisaged by Articles 136-137 of this code;
- to pay the land tax or the lease fee for the land in timely fashion;
- not to violate the rights of landholders or other land users, including lessees.

Part XI. Protection of the Rights of Landholders and Land Users

Article 50. The impermissibility of interference in the activity of landholders and land users.

Interference in the activity of landholders or land users on the part of state, economic and other organizations is

forbidden, with the exception of cases where the landholders and land users are violating the law.

Article 51. Restoration of the violated rights of landholders and land users.

Violated rights of landholders and land users are subject to restoration under the procedure stipulated by the legislation of the Azerbaijan SSR.

Article 52. The right of landholders and land users to restitution for damages caused to them.

Losses caused by violations of the rights of landholders and land users are subject to restitution in full.

Disputes over restitution for losses are considered by the court or the State Arbiter.

Article 53. Limitation by law of the rights of landholders and land users.

The rights of landholders and land users may be restricted only in cases stipulated by this code.

Article 54. Guarantees of landholding.

The taking of plots of land granted to citizens for state or public needs may be performed only after the allocation of another plot of land of equal value for them by the soviet of people's deputies, the construction on the new site of residential, production and other sites in place of those being taken by the enterprises, institutions and organizations for which the plot of land is being allocated, and restitution in full for all other losses under Section IX of this code.

The taking of the lands of kolkhozes, sovkhozes, agricultural scientific-research institutions and teaching farms or other state, cooperative or public agricultural and timber enterprises for state or public needs may be performed providing the construction of residential, production and other sites in place of those being taken and restitution in full for all other losses according to Section IX of this code are carried out according to their wishes.

Section III. Landholding and Land Use by the Citizens of the Azerbaijan SSR

Article 55. Landholding of citizens of the Azerbaijan SSR.

Citizens of the Azerbaijan SSR have the right to receive for lifelong hereditary possession plots of land:

- for the pursuit of peasant farming;
- for the pursuit of private subsidiary farming;
- for the construction and upkeep of a residential home;
- for gardening and animal husbandry;
- for the construction of a *dacha*;

- in the event they receive it by inheritance or the acquisition of a home;
- for traditional household trades.

The legislation of the Azerbaijan SSR may envisage the granting of plots of land for possession for other purposes as well.

The procedure for inheriting the right to possess a plot of land is defined by the legislation of the Azerbaijan SSR.

Article 56. Land use by citizens.

The citizens of the Azerbaijan SSR are granted plots of land for use for gardening, haymaking and the grazing of livestock from among the lands under the authority of the corresponding soviet of people's deputies.

Enterprises, institutions and organizations may allocate plots for these purposes from among the land they possess or use.

The legislation of the Azerbaijan SSR may envisage the granting of plots of land for use and for other purposes.

Article 57. Procedure for granting plots of land for gardening, haymaking and grazing livestock.

The allocation of plots of land for gardening, haymaking and grazing livestock is performed by resolution of the corresponding local (town) soviet of people's deputies or the administration of the enterprise, institution or organization.

Article 58. The size of the plots of land granted for gardening, haymaking and the grazing of livestock.

The size of the plots of land for gardening, haymaking and the grazing of cattle are established by the bodies that granted those plots for use with a regard for the areas of the pastures, hayfields or gardens and the number of citizens desiring to obtain them for use.

Article 59. Official land allotments.

Official land allotments are granted to certain categories of officials in transport, forestry, the timber industry, communications, water management, fishing and hunting, as well as other sectors of the national economy.

The list of categories of workers having the right to an official allotment and the size of them is established by the Council of Ministers of the Azerbaijan SSR.

Article 60. Procedure for allocating official land allotments.

The official land allotments are granted out of the lands that are in the possession and use of enterprises, institutions and organizations.

The allocation of plots of land for the indicated purposes is performed by the administration of those enterprises, institutions and organizations.

Article 61. The terms of use of official land allotments.

The official land allotments are granted to workers for the whole time they are in the job that gives them the right to use those allotments.

Article 62. Retention of the right to official land allotments.

The worker is deprived of the right to use an official land allotment with his dismissal from the job or switch to another job, with the exception of the cases indicated in the second part of this article.

If the sowing of crops has been carried out on the official land allotment, the right to use the allotment ceases after the taking of the harvest.

The right to use the official allotments is preserved:

- 1) for workers who have retired for reasons of age or as invalids—for life;
- 2) for the families of workers who have been called to active military service, as well as training trips—for the duration of their time on active service or at the training establishment;
- 3) for the family members of workers unfit to work in connection with their official duties—for life; and for the children—until they reach the age of majority.

Section IV. Lands for Agricultural Purposes

Part XII. The Granting of Lands for Agricultural Purposes

Article 63. Lands for agricultural purposes.

Lands that have been granted for the needs of agriculture or are intended for that purpose are deemed to be lands for agricultural purposes.

Article 64. The granting of lands for agricultural purposes.

Lands for agricultural purposes are granted:

- 1) to citizens of the Azerbaijan SSR for the pursuit of private subsidiary farming, individual fruit and vegetable gardening and animal husbandry;
- 2) to cooperatives of citizens of the Azerbaijan SSR for collective fruit and vegetable gardening and animal husbandry;
- 3) to citizens of the Azerbaijan SSR, kolkhozes, sovkhozes and other agricultural state, cooperative and public enterprises and organizations for the pursuit of commodity agriculture;
- 4) to scientific-research, teaching and other production and technical institutions and general schools for research and teaching purposes, propagation of advanced experience and the pursuit of agriculture;

5) to non-agricultural enterprises, institutions, organizations and religious organizations for the pursuit of private subsidiary farming.

Lands for agricultural purposes may be granted for the pursuit of agriculture to other organizations and individuals in cases stipulated by the legislation of the Azerbaijan SSR.

Part XIII. Landholding by Kolkhozes, Sovkhozes and Other Agricultural Enterprises, Institutions and Organizations

Article 65. The granting of lands for the pursuit of public agricultural production.

Kolkhozes, sovkhozes and other agricultural enterprises and organizations receive land for permanent possession for the pursuit of public agricultural production.

The indicated enterprises, institutions and organizations can also lease the plots of land.

Article 66. Retention of the right to land by agricultural enterprises when they become part of other formations.

The right to land is preserved for kolkhozes, sovkhozes and other agricultural enterprises, institutions and organizations when they join agro-industrial associations, combines, agro-businesses and other formations.

Article 67. The right of cooperatives to receive plots of land when leaving agricultural enterprises.

Cooperatives that are created on the basis of subdivisions of agricultural enterprises (aside from experimental farms) and leave them are granted plots of land from the lands they were working earlier by resolution of the soviet of people's deputies and with a regard for the necessity of creating equal conditions for farm management.

These plots are subject to taking from the lands of the indicated enterprises under the procedure stipulated in Articles 26-33 of this code.

Plots of land are granted to cooperatives, by petition of the latter, by the corresponding soviets of people's deputies with the consent of the landholders and land users.

Article 68. The granting of plots of land for the pursuit of peasant farming by the members of kolkhozes.

Plots are granted that are taken from the lands of the indicated enterprises for the members of kolkhozes and other agricultural cooperatives and the workers of agricultural enterprises (aside from experimental farms) who have desired to leave them and pursue peasant farming, by resolution of the soviet of people's deputies with a regard for the necessity of creating equal conditions for farm management.

The taking of plots of land is performed in accordance with Articles 26-33 of this code.

Plots of land are granted to citizens, through their petition, by the corresponding soviets of people's deputies with the consent of the landholders and land users.

Part XIV. Landholding by Citizens Pursuing Peasant Farming

Article 69. The granting of plots of land for the pursuit of peasant farming.

Citizens who have indicated a desire to pursue peasant farming based primarily on personal labor and the labor of members of their families are granted plots of land according to their desire for lifelong hereditary possession or leasing, including a subsidiary allotment.

Article 70. The right of citizens pursuing peasant farming to additional plots of land.

Citizens pursuing peasant farming may lease additional plots of land for production purposes.

Article 71. The size of plots of land.

The maximum dimensions of the plot of land of citizens pursuing peasant farming are determined by the local soviets of people's deputies with a regard for specific regional features, specialization and possibilities for working the lands that are granted primarily through the personal labor of the members of the peasant farm.

Article 72. The right of the landholder to receive compensation.

The landholder has the right to receive full compensation from the sale of the property of the peasant farm or the transfer of the plot of land to another citizen, enterprise or organization by resolution of the soviet of people's deputies, or to receive all expenditures for the harvest, as well as expenditures for improving the quality of the land in accordance with raising the register valuation over the time of possession of the plot of land.

Article 73. Inheritance of plots of lands of citizens pursuing peasant farming.

The plots of land of citizens pursuing peasant farming are not subject to partitioning. The right of possession of a plot of land is passed by inheritance under the terms stipulated by the legislation of the Azerbaijan SSR.

A citizen who is pursuing peasant farming may, in the event of loss of fitness to work or attainment of retirement age, transfer the right to possess the plot of land or grant it for temporary use to a family member pursuing peasant farming in conjunction with him, or in the absence of one to other individuals under the procedure and terms stipulated by the legislation of the Azerbaijan SSR and the Nakhichevan ASSR.

Article 74. Procedure for granting plots of land to citizens for the pursuit of peasant farming.

The granting of land to citizens for the pursuit of peasant farming is performed on the basis of their applications

by request of the rural soviet of people's deputies by resolution of the rayon soviet of people's deputies.

The plots of land are allocated to citizens, as a rule, in a unified block with the sources of water and timber lands located on them.

Article 75. Valuation of the lands granted to the members of kolkhozes and other workers at agricultural enterprises that are leaving them.

A plot of land is allocated to the members of kolkhozes and other agricultural cooperatives and the workers of agricultural enterprises that are leaving them, the land-register valuation of which should be, as a rule, at the average level for the farm. Tax and other benefits are established by the Council of Ministers of the Azerbaijan SSR and the Nakhichevan ASSR in the granting of plots of land with valuations lower than the average land-register valuation for the farm.

Plots of land are granted to other citizens for the pursuit of peasant farming from reserve lands in accordance with Articles 124-125 of this code.

Article 76. Landholding of citizens for the pursuit of private subsidiary farming.

A plot of land is granted to the citizens of the Azerbaijan SSR for the erection of housing, yard structures, gardens, orchards and other needs of agricultural production.

The size of the plots of land granted for the pursuit of private subsidiary farming is determined by the city (rayon) soviets of people's deputies depending on the composition of the family, participation in public production and local conditions.

Article 77. Procedure for appealing refusal to grant land.

The refusal to grant land may be appealed through the courts.

[29 Aug 90, pp 3, 4]

[Text]

Section V. Lands in Populated Areas

Part XV. The Lands of Cities

Article 78. Procedure for utilizing the lands of cities.

All lands within the limits of the city line are under the authority of the city soviets of people's deputies.

The establishment and alteration of the city line is performed by the Supreme Soviet of the Azerbaijan SSR.

The inclusion of plots of land in the city line does not entail a termination of the right to use those plots of land by kolkhozes, sovkhozes or other enterprises, institutions, organizations and citizens.

The lands of cities are used in accordance with the general city plans, the designs for urban planning and development and the plans for the land-use management of the territory of the cities.

The general city plans define the basic guidelines for the utilization of the lands of cities for industrial, residential, cultural, domestic and other construction, amenities and places of relaxation for the population. The urban planning and development designs developed on the basis of the general city plan determine the utilization of the lands of urban development.

The plans for the land-use management of the territory of cities define the basic guidelines for the utilization of the lands of cities that are not subject to urban development and are temporarily not being built upon.

The procedure for land-use management on the territory of cities, the taking and granting of plots of land and the terms for their utilization are defined by this code and other legislation of the Azerbaijan SSR.

Article 79. Land-use management of the territory of cities.

The plans for the land-use management of the territory of cities should envisage measures:

1) for reviving the urban territories and preserve them from destruction (irrigation, the arrangement of bodies of water, the draining of swamps, the planting of greenery, fight against landslides, mudslides, erosion, flooding and the like);

2) for the engineer preparation of the territory;

3) for the construction of roads and bridges;

4) for the placement of parks, gardens, nurseries, greenhouses and flower, seed and other farming;

5) for the organization of places of cultural relaxation and sports;

6) for the utilization of lands for the needs of municipal services for the population (pumping stations, water drawing, sewerage and treatment facilities and the like);

7) for the efficient utilization of lands for agricultural purposes and water areas for the supply of the city with nourishment.

The approval of plans for land-use management of the cities is performed under the procedure established by the Council of Ministers of the Azerbaijan SSR.

Article 80. The composition of the lands of urban development.

The lands for urban development consist of plots being built on and granted for the building of residential housing, industrial, municipal, cultural, domestic, trade, administrative and other buildings and structures.

Article 81. The granting of the lands of cities for possession, use and leasing.

The granting of plots of land in the cities for possession, use and leasing is performed by resolution of the city soviet of people's deputies in accordance with the designs for planning and development and the plans for the land-use management of the territory of cities approved under stipulated procedure.

Plots of land are granted for use and leasing to state, cooperative and public enterprises, institutions and organizations for the construction of industrial enterprises, residential buildings, municipal, cultural, domestic and trade enterprises, administrative buildings, schools, medical institutions and sports facilities, structures, for kiosks, stalls, pavilions, markets and for other needs.

The dimensions of the plots of land granted for construction are determined in accordance with standards approved under established procedure or technical and design documentation.

Article 82. The granting of plots of land with structures for use.

The executive committees of the city soviets of people's deputies may grant state, cooperative and public enterprises, institutions and organizations the permanent use or leasing of plots of land with structures under the authority of the city soviet of people's deputies:

- 1) that are unfinished, for completion;
- 2) that are destroyed, for rehabilitation;
- 3) to allow the construction of new stories;
- 4) to allow the addition of new structures with the use of the walls of the existing structures;
- 5) of small size or value, whose reconstruction into homes with a large cubic volume and value will be deemed economically expedient;
- 6) a considerable portion of a plot of land that remains undeveloped, which may be utilized for the erection of additional structures technically associated with the existing structures by a commonality of yard, unity of water-supply, sewerage and central-heating system.

Article 83. Common utilization of developed plots of land.

If there is a single structure belonging to several owners on a plot of land, or several structures belonging to different owners, the plot of land is considered to be in common use by all the owners of the structures.

The division of the plot of land is not permitted wherein this or that portion of the plot or the structures on it are

deprived of existing municipal services (lighting, sewerage, water, irrigation devices and the like), as well as independent passage.

The development of a plot of land with subsidiary facilities (garage, stable, cattle shed, shed, cellar, store-room and the like) is not permitted if this encroaches on the interests of the enterprises, institutions or organizations on the given plot of land or the citizens living in residential houses there.

Article 84. Transfer of the right to use or possess a plot of land with the transfer of the right of ownership to structures in a city.

The right to possess and use a plot of land or a portion of it also passes with the right of ownership of a structure on the lands of cities.

The right of a new owner to the possession and use of a plot of land on which a structure he has acquired is located is established by the document attesting to the right of ownership and recorded under stipulated procedure.

Article 85. The passage of the right to use a plot of land with the transfer of a structure belonging to the state.

The right to use a plot of land on which a structure belonging to the state is located passes with the transfer of that structure from the operational control of one state enterprise, institution or organization to the operational control of another state enterprise, institution or organization.

Article 86. The retention of the right to possess or use a plot of land in the event of the destruction of a structure.

In the event a structure is destroyed due to a natural disaster or other reasons, the owner of the destroyed structure retains the right to possession or permanent use of the plot of land if he begins the restoration of the structure or the erection of a new structure on that plot no later than two years from the day of the destruction, with the exception of cases where urban planning and development plans have envisaged a different use for that plot of land.

In those cases the owner of the destroyed structure is granted a different plot of land in the given populated area under stipulated procedure if individual housing construction is not prohibited in that populated area.

Article 87. The composition of lands for the common use of cities.

The lands for the common use of cities include squares, streets, thoroughfares, roads, embankments and lands used and intended for utilization to satisfy the cultural and domestic needs of the population (parks, tracts of forest, boulevards, public gardens, bodies of water and stadiums, among others); and, lands for municipal purposes (cemeteries, places for the treatment and utilization of urban wastes etc.).

Article 88. Utilization of lands for common use.

Lands for common use may be granted to enterprises, institutions and organizations for temporary use for trade booths, kiosks, stalls, pavilions, snack bars, advertising structures etc.

Embankments and shore strips are used first and foremost for the relaxation of the population and for sports. The lands of parks, tracts of forest, boulevards and public gardens within the limits of the city line are in common use.

Article 89. The composition of lands for agricultural use and other arable lands within the limits of the city line.

Lands for agricultural use and other arable lands within the limits of the city line include:

- lands occupied with plowed fields, orchards, vineyards, gardens, nurseries, hothouses, hayfields, pastures and other agricultural lands;
- lands being used for the development of generally available minerals (quarries) and other lands.

Article 90. The land use of kolkhozes and sovkhozes within the limits of the city line.

The lands for common use of kolkhozes, the lands of sovkhozes and other state agricultural enterprises, institutions and organizations located within the limits of the city line and not subject to development or amenities according to the urban planning and development plans are allocated to them for perpetual use.

The placement of residential, cultural, domestic or production buildings and structures on them is performed with the consent of the local soviets of people's deputies.

The inclusion of the lands of kolkhozes, sovkhozes and other agricultural enterprises, institutions and organizations within the city line could entail changes in the size of subsidiary plots for the use of kolkhoz households and the workers and specialists of those kolkhozes, sovkhozes and other agricultural enterprises, institutions and organizations only in connection with the implementation of urban planning and development plans.

Article 91. The utilization of agricultural and other arable lands within the limits of the city line.

Agricultural and other lands within the limits of the city line granted to kolkhozes, sovkhozes and other enterprises, institutions and organizations are used by them in accordance with the plans envisaging the development of the production of agricultural goods, subsidiary enterprises and crafts and other sectors of farming.

Article 92. The use of the lands of city forests.

The lands of city forests are used for the organization of relaxation, the satisfaction of the cultural requirements

of the population and the protection of the territory against wind and water erosion.

Part XVI. The Lands of City-Type Settlements

Article 93. Regulating land relations in city-type settlements.

The provisions of Articles 78-92 of this code, regulating land relations in the cities, also extend to the lands of populated areas relegated to the category of city-type settlement in accordance with the legislation of the Azerbaijan SSR.

Article 94. The lands of city-type settlements.

All lands within the limits of the town line are under the authority of the town soviets of people's deputies.

Article 95. Procedure for establishing and altering the town line.

The establishment and alteration of the town line is performed by the Supreme Soviet of the Azerbaijan SSR and the Nakhichevan ASSR.

Part XVII. The Lands of Populated Rural Areas

Article 96. The lands of populated rural areas.

The lands of populated rural areas include all lands located within the limits of the boundaries stipulated for those areas under land-management procedure.

Article 97. The granting of the land of populated rural areas for possession, use and leasing.

The lands of populated rural areas are under the authority of the rural soviets of people's deputies.

The rural soviet of people's deputies makes decisions regarding the granting of plots of land for possession, use and leasing within the limits of the boundaries of the populated rural areas.

Article 98. The passage of the right to possession of lands with the passage of the right of ownership of structure in a populated rural area.

In cases of the passage of the right of ownership to a residential house located in a populated rural area by inheritance, the right to possess the plot of land or a portion of it also passes to the heirs.

The right of a new owner to the possession of a plot of land obtained through inheritance is established by a document attesting to the right of ownership recorded under stipulated procedure.

Article 99. Procedure for establishing and altering the lines of populated rural areas.

The establishment and alteration of the lines of populated rural areas is performed by the Supreme Soviets of the Azerbaijan SSR and the Nakhichevan ASSR.

Section VI. Lands for Industry, Transport, Communications, Defense and Other Purposes**Part XVIII. Fundamental Provisions****Article 100. Lands for industry, transport, communications and other purposes.**

The lands for industry, transport, communications and other purposes are deemed lands that are granted for the use of the corresponding enterprises and organizations for the accomplishment of the duties charged to them.

Article 101. The dimensions of the plots of lands for industry, transport, communications and other purposes.

The dimensions of the plots of land for industry, transport, communications and other purposes are determined in accordance with the standards approved under stipulated procedure and technical-design documentation, while the allocation of the plots is accomplished with a regard for the precedence of their assimilation.

Article 102. The procedure for utilizing lands for industry, transport, communications and other purposes.

The procedure for utilizing lands for industry, transport, communications and other purposes is defined by the legislation of the Azerbaijan SSR and the Nakhichevan ASSR.

Article 103. The granting of lands for agricultural purposes by enterprises, institutions and organizations in industry, transport and communications.

Enterprises, institutions and organizations in industry, transport, communications and other sectors of the national economy grant lands they are not using, by resolution of the local soviets of people's deputies, for the temporary use of citizens, kolkhozes, sovkhozes and other enterprises, institutions and organizations for agricultural purposes under the procedure and on the terms stipulated by the legislation of the Azerbaijan SSR and the Nakhichevan ASSR.

The fee for the indicated lands is imposed under the procedure envisaged in Articles 34-41 of this code.

Article 104. Lands for the needs of defense.

Lands that are granted for the placement and permanent activity of military units, institutions, military training establishments, enterprises and organizations of the Armed Forces of the USSR and border, internal and railroad troops are deemed lands for the needs of defense.

Article 105. The procedure for granting lands for the needs of defense.

The procedure for granting lands for the needs of defense is defined by the legislation of the Azerbaijan SSR.

Section VII. Lands for Environmental-Protection, Health, Recreational, Historical and Cultural Purposes**Part XIX. Lands for Environmental-Protection Purposes****Article 106. Lands for environmental-protection purposes.**

The lands for environmental-protection purposes include lands for preserves, national parks and arboretums, botanical gardens and reserves (with the exception of hunting) of artifacts of nature.

Article 107. Protection of the lands for environmental-protection purposes.

Activity that contradicts their dedicated purpose on lands for environmental-protection purposes is prohibited.

Protected zones with the prohibition of activity having a harmful effect on ensuring the observance of their regimens are established on these lands in order to ensure the regimen of preserves, national parks and arboretums, botanical gardens and reserves (with the exception of hunting) of artifacts of nature.

Article 108. The procedure for utilizing lands for environmental-protection purposes.

The procedure for utilizing lands for environmental-protection purposes is defined by the legislation of the Azerbaijan SSR.

Part XX. Lands for Health Purposes**Article 109. Lands for health purposes.**

Lands for health purposes include plots of land possessing natural medical factors favorable for the organization of prevention and treatment.

Article 110. Protection of lands for health purposes.

The lands of resorts are subject to special protection. ◉

A sanitary-protection district is established for the purpose of protecting the natural medicinal properties at all resorts. The granting of plots of land for possession, use or leasing to those enterprises, institutions and organizations whose activity is incompatible with the protection of the natural medicinal properties and favorable conditions for the relaxation of the population is prohibited within the limits of these districts.

Article 111. Procedure for utilizing lands for health purposes.

The procedure for utilizing lands for health purposes is defined by the legislation of the Azerbaijan SSR.

Part XXI. Lands for Recreational Purposes**Article 112. Lands for recreational purposes.**

Lands intended and used for organized mass relaxation and tourism are deemed lands for recreational purposes.

Article 113. Protection of lands for recreational purposes.

Activity that hinders the utilization of lands for recreational purposes for their intended purpose is prohibited on them.

Article 114. Procedure for utilizing lands for recreational purposes.

The procedure for utilizing lands for recreational purposes is defined by the legislation of the Azerbaijan SSR.

Part XXII. Lands for Historical and Cultural Purposes

Article 115. Lands for historical and cultural purposes.

Lands for historical and cultural purposes include lands of historical and cultural preserves, memorial parks, interment and archaeological artifacts.

Article 116. Protection of lands for historical and cultural purposes.

Any activity that contradicts the intended purpose of lands for historical and cultural purposes is prohibited on them.

Article 117. Procedure for utilizing lands for historical and cultural purposes.

The procedure for utilizing lands for historical and cultural purposes is defined by the legislation of the Azerbaijan SSR.

Section VIII. Forest Lands, Water Areas and Reserve Lands

Part XXIII. Forest Lands

Article 118. Forest lands.

Lands covered with forest, as well as those not covered with forest but granted for the needs of forestry, are deemed to be forest lands.

Article 119. The granting of forest lands for agricultural needs.

The local soviets of people's deputies, by agreement with the state forestry bodies, may grant forest lands for temporary use for agricultural purposes.

Article 120. Fees for forest lands.

Fees for forest lands are exacted under the procedure stipulated by Articles 34-41 of this code.

Article 121. Procedure for utilizing forest lands.

The procedure for utilizing forest lands is defined by legislation, this code and other legislation of the Azerbaijan SSR.

Part XXIV. Water Areas

Article 122. Water areas.

Water areas include lands occupied by bodies of water, glaciers, swamps, hydro projects and other water-

management structures, as well as lands delineated as reserved zones along the shores of bodies of water.

Article 123. The procedure for utilizing water areas.

The procedure for utilizing water areas is defined by the legislation of the Azerbaijan SSR.

Part XXV. Reserve Lands

Article 124. Reserve lands.

Reserve lands are all lands not granted for possession and permanent use. They also include lands, the right of possession and use to which is prohibited in accordance with Articles 23-24 of this code.

Article 125. The granting of lands from the state reserve for possession, use and leasing.

The reserve lands are under the authority of the soviets of people's deputies and are granted for possession, use and leasing primarily for agricultural purposes in accordance with this code.

Section IX. Restitution for the Losses of Landholders and Land Users and Losses of Agricultural and Timber Production

Part XXVI. Restitution for Losses of Landholders and Land Users

Article 126. Restitution for losses of landholders and land users.

Losses caused by the taking or temporary occupation of plots of land, as well as limitations on the rights of landholders and land users, including lessees, or the worsening of the quality of the lands as the result of effects caused by the activity of enterprises, institutions, organizations and citizens, are subject to restitution in full (including lost profit) to the landholders and land users, including lessees, that suffered those losses.

Article 127. Procedure for restitution for losses.

The restitution of losses is performed by enterprises, institutions and organizations to which the retracted plots of land are allocated, as well as by enterprises, institutions and organizations whose activity entails limitations on the rights of landholders and land users, including lessees, or a worsening of the quality of closely adjoining lands, under the procedure stipulated by legislation, this code and other legislation of the Azerbaijan SSR and the Nakhichevan ASSR.

Article 128. Bodies that consider disputes associated with restitution for losses.

Disputes associated with restitution for losses and the determination of the size of it are resolved by the courts or state arbitration in accordance with their jurisdiction.

Part XXVII. Restitution for Losses of Agricultural and Timber Production**Article 129. Restitution for losses of agricultural and timber production.**

Losses of agricultural and timber production caused by the taking of agricultural and timber lands for their utilization for purposes not connected with the pursuit of the agricultural and timber industries or the limitation of the rights of landholders and land users, including lessees, or a worsening of the quality of land as the result of effects caused by the activity of enterprises, institutions and organizations, are subject to restitution to the soviets of people's deputies.

These losses are compensated aside from the restitution for losses stipulated by Articles 126-128 of this code.

Article 130. Organizations obliged to make restitution for losses of agricultural and timber production.

The losses indicated in Article 129 of this code are compensated by enterprises, institutions and organizations to which the retracted agricultural and timber land are allocated for needs not connected with the pursuit of the agricultural and timber industry, as well as by enterprises, institutions and organizations around the facilities of which guarded, health-safety and protective zones are established, with the exception of the removal of agricultural and timber lands from circulation or their conversion to less valuable land.

Article 131. The earmarking of funds received from restitution for losses.

The funds received under the procedure of restitution for losses are used to assimilate new lands and raise the fertility of the soil and the productivity of forest lands.

Article 132. Procedure for determining losses subject to restitution.

The dimensions and procedure for determining the losses subject to restitution, as well as the list of enterprises, institutions and organizations freed of such restitution, is established by the Councils of Ministers of the Azerbaijan SSR and the Nakhichevan ASSR.

Section X. Protecting Lands**Article 133. The aims and tasks of protecting lands.**

The protection of lands includes the system of legal, organizational, economic and other measures aimed at their efficient utilization, aversion of the unfounded taking of lands from agricultural circulation and protection against harmful man-made effects, as well as reproducing and raising the fertility of the soil and the productivity of forest lands.

Article 134. Procedure for implementing the protection of lands.

The protection of lands is implemented on the basis of a comprehensive approach to lands as complex natural formations (ecosystems) with a regard for their specific zonal and regional features.

Article 135. The necessity of efficient utilization of lands.

The system of efficient utilization of lands should be of a resource-conserving nature and envisage the preservation of soils, limitation of the effects on vegetation, the animal world, geological formations and other components of the environment.

Article 136. The upkeep of lands.

Landholders and land users, including lessees, perform:

- the efficient organization of territory;
- the restoration and increase of the fertility of soils, as well as other properties of the land;
- the protection of lands against wind and water erosion, mudslides, inundation, formation of swamps, secondary salinization, desiccation, compaction, contamination with production wastes, chemical or radioactive substances and other destructive processes;
- protection against the overgrowth of agricultural lands with brush and low forest growth, other processes for worsening the crop-standard state of the soil;
- setting aside of degraded agricultural lands if it is impossible to restore the fertility of the soil through other methods;
- recultivation of ruined lands and raising their fertility and other useful properties of the land;
- the removal, utilization and preservation of the fertile layer of the soil when performing work associated with disrupting the land.

Article 137. Procedure for protecting lands.

State bodies take the necessary steps to protect lands within the framework of republic programs.

The procedure for protecting lands is stipulated by the legislation of the Azerbaijan SSR and the Nakhichevan ASSR.

Article 138. Ecological requirements for the placement, design, construction and operational start-up of facilities, buildings and structures affecting the state of lands.

Measures to protect lands should be envisaged when placing, designing, constructing and putting into operation new or modernized facilities, buildings and structures, as well as incorporating new technologies, that have a negative effect on the state of lands.

Article 139. Prohibition of the operational start-up of facilities that do not provide for measures to protect lands against degradation.

The operational start-up of facilities and the employment of technologies that do not provide for measures to protect lands against degradation or disturbance is prohibited.

Article 140. The procedure for placing facilities that affect the state of lands.

The placement of facilities that affect the state of lands is coordinated with land-use management, environmental-protection and other bodies under the procedure defined by the legislation of the Azerbaijan SSR and the Nakhichevan ASSR.

Article 141. Economic incentives for the efficient utilization and protection of lands.

Economic incentives for the efficient utilization and protection of lands are aimed at raising the vested interest of landholders and land users, including lessees, in preserving and reproducing the fertility of the soil and protecting lands against the negative consequences of production activity and include:

- the allocation of funds from union, republic or local budgets for the restoration of lands that are disturbed through the fault of others;
- release from paying fees for plots of land in the stage of agricultural assimilation or improvements in their state during the period stipulated by the plans for the performance of operations;
- the granting of credit privileges;
- partial compensation from budgetary funds for reductions in income as the result of temporary setting aside of plots disturbed through the fault of others;
- incentives for improving the quality of lands, raising the fertility of soils and the productiveness of forest lands and producing ecologically clean products.

Article 142. Procedure for implementing measures associated with economic incentives for the efficient utilization and protection of lands.

The procedure for implementing measures associated with economic incentives for the efficient utilization and protection of lands is stipulated by the legislation of the Azerbaijan SSR and the Nakhichevan ASSR.

Section XI. Monitoring the Utilization and Protection of Lands

Article 143. The tasks of state monitoring of the utilization and protection of lands.

The tasks of state monitoring of the utilization and protection of lands consist of ensuring the observance of the requirements of land legislation for the purpose of the

efficient utilization and protection of lands by all state and public bodies and state, cooperative and other public enterprises, institutions and organizations, as well as citizens.

Article 144. Bodies performing the state monitoring of the utilization and protection of lands.

State monitoring of the utilization and protection of lands is accomplished by the soviets of people's deputies and specially empowered bodies.

Article 145. Procedure for performing state monitoring of the utilization and protection of lands.

The procedure for performing state monitoring of the utilization and protection of lands is stipulated by the legislation of the Azerbaijan SSR and the Nakhichevan ASSR.

Article 146. The monitoring of lands.

The monitoring of lands is a system of observing the state of the land for the timely discernment of changes, evaluating them and preventing or eliminating the consequences of negative processes.

The structure, content and procedure for the implementation of monitoring is stipulated by the Council of Ministers of the Azerbaijan SSR.

Section XII. The State Land Register

Article 147. The purpose of the state land register.

The state land register is intended to provide the soviets of people's deputies and interested enterprises, institutions, organizations and citizens with information on land for the purpose of organizing its efficient utilization and protection, regulating land relations, managing land use, substantiating the size of fees for land and evaluating economic activity.

Article 148. The maintenance of the state land register.

The state land register contains the system of necessary information and documents on the legal regimen of the lands, their distribution among landholders and land users, categories of land, qualitative descriptions and the national-economic value of the lands.

Article 149. The bodies keeping the state land register.

Keeping of the state land register provides for the performance of topographical, geodesic, soil, geobotanical and other research and survey, the registration of landholders and land users and the accounting and valuation of lands.

The state land register is kept by land-use management bodies using the funds of the state budget.

Article 150. Procedure for keeping the state land register.

The procedure for keeping the state land register is stipulated by the Council of Ministers of the Azerbaijan SSR.

Section XIII. Land-Use Management**Article 151. The purpose and substance of land-use management.**

Land-use management includes the system of measures aimed at implementing land legislation, the resolutions of the soviets of people's deputies organizing the utilization and protection of the land, the creation of a favorable ecological environment and the improvement of natural landscapes.

Article 152. Land-use management actions.

Land-use management envisages:

- 1) the development of systems for the utilization and protection of land resources and systems for land-use management;
- 2) the establishment of the boundaries of administrative territorial formations on the terrain;
- 3) the composition of plans for the formation of new types of landholding and land use and the instilling of order in existing ones with the elimination of inconveniences in the disposition of lands, the allocation of plots of land in kind and the preparation of documents attesting to the right of possession and use of lands;
- 4) the development of drafts for intra-organizational land-use management and other drafts associated with the utilization and protection of lands;
- 5) the development of forecasts and all-union and regional programs for the utilization and protection of lands;
- 6) substantiation for the establishment of the boundaries of territories with special environmental-protection, recreational and preserve regimens;
- 7) originator's oversight of the implementation of plans for land-use management;
- 8) the performance of topographical, geodesic, cartographical, soil, geobotanical and other research and survey.

Article 153. Organization of land-use management.

Land-use management is performed by land-use management organizations through budgetary funds.

The development of land-use plans associated with the arrangement, fundamental improvement and protection of plots of land may be performed at the initiative of landholders and land users at their expense by other land-use management organizations.

Article 154. Stages in the land-use management process.

Land-use management is performed in the following sequence:

- the instigation of the land-use management case;

- the composition of the plan for land-use management;
- the consideration and approval of the plan for land-use management;
- the transference of the plan to physical terms (onto the terrain);
- the formulation and issue of land-use management documents to landholders and land users.

Article 155. The instigation of the land-use management case.

A land-use management case is instigated by the executive committees of the corresponding soviets of people's deputies, landholders, land users or by state land-use management bodies for the purpose of eliminating shortcomings in landholding or land use and ensuring the efficient organization of the utilization and protection of lands.

Article 156. Composition of plans for land-use management.

Land-use management plans are composed in the process of land-use management, as are documents for the right to possession and the right of permanent use of lands as stipulated by Articles 21 and 160 of this code.

The land-use management plans are composed with the participation of interested landholders and land users.

Article 157. The consideration and approval of the plans for land-use management.

The plans for intra-organizational land-use management are considered by landholders and land users, coordinated with higher bodies and approved by the executive committee of the rayon or city (cities of republic subordination) soviet of people's deputies.

The plans for extra-organizational land-use management, after consideration by the executive committees of the rayon and city (cities of republic subordination) soviet of people's deputies, are approved by the Council of Ministers of the Azerbaijan SSR and by the Council of Ministers of the Nakhichevan ASSR or the executive committees of the soviet of people's deputies of the Nagorno-Karabakh Autonomous Oblast on the territory of the Nakhichevan ASSR and the Nagorno-Karabakh Autonomous Oblast respectively.

The plans for land-use management for the allocation and taking of plots of land are approved by the bodies that have submitted the resolution to grant the plot of land for possession, use or taking for state or public needs.

Article 158. Procedure for making changes in land-use management plans.

Changes in land-use management plans are made with the permission of the bodies that approved those plans.

Article 159. The transference of the plan for land-use management into physical terms (onto the terrain).

The plans for land-use management, after approval, are transferred into physical terms (onto the terrain) with the designation of the boundaries for landholding and land use using boundary markers of stipulated types.

Providing for the physical preservation of the boundary markers is charged to the landholders and land users.

Article 160. Formulation and issue of land-use management documents to landholders and land users.

State deeds of the right of possession and the right of permanent use of lands are issued to landholders and land users on the basis of approved plans for extra-organizational land-use management.

The plan for intra-organizational land-use management and the document for the approval of the plan and draft plans are issued to the landholder and land user as the result of intra-organizational land-use management.

Section XIV. The Resolution of Land Disputes and Liability for Violating Land Legislation

Part XXVIII. Procedure for resolving land disputes.

Article 161. The bodies that resolve land disputes.

Land disputes are resolved by the local soviets of people's deputies, the courts or state arbitration under the procedure stipulated in Articles 163-165 and 172 of this code.

Article 162. The authority of rayon executive committees of the soviets of people's deputies to resolve land disputes.

The authority of the executive committees of the rayon soviets of people's deputies includes the resolution of disputes on issues of the use of lands on the territory of the rayon among kolkhozes, sovkhozes and other state, cooperative and public enterprises, institutions and organizations of local subordination, as well as among the indicated enterprises, institutions and organizations and citizens.

Article 163. The authority of the executive committees of the city soviets of people's deputies to resolve land disputes.

The authority of the executive committees of the city soviets of people's deputies includes the resolution of disputes on issues of the use of lands on the territory of the city among kolkhozes, sovkhozes and other state, cooperative and public enterprises, institutions and organizations of local subordination and among the indicated enterprises, institutions, organizations and citizens, as well as among citizens, with the exception of disputes envisaged by Articles 165 and 172 of this code.

Article 164. The authority of the executive committees of the town and rural soviets of people's deputies to resolve land disputes.

The authority of the executive committees of the town and rural soviets of people's deputies includes the resolution of

disputes among citizens on issues of the use of lands on the territory of the rural and town soviets of people's deputies, with the exception of disputes envisaged by Articles 165 and 172 of this code.

Article 165. Land disputes resolved by state arbitration.

Land disputes in which one of the parties is an enterprise, institution or organization of union or republic subordination and disputes among allied land users of different rayons, as well as disputes among enterprises, institutions and organizations of one rayon or city of republic subordination on issues of the use of lands on the territory of another rayon or city of republic subordination, are resolved by state arbitration within the limits of its authority.

Article 166. Procedure for considering land disputes.

Land disputes are considered at sessions of the executive committees of the corresponding soviets of people's deputies by claim of one of the parties. The necessary documents are appended to the claim.

The consideration of disputes takes place in the presence of the parties. The failure to appear of a party who was notified of the day of consideration of the land dispute is not an obstacle to the consideration of the dispute.

Article 167. Preparation of materials for the resolution of a land dispute.

The materials necessary for the resolution of a land dispute are prepared by the land-use management bodies.

The executive committee of the local soviet of people's deputies may, where necessary, form a special commission of deputies from the local soviet of people's deputies, workers from land-use management bodies or specialists to prepare the materials for the resolution of land disputes.

Article 168. The rights and obligations of the parties taking part in a land dispute.

The parties taking part in a land dispute have the following rights: to become familiar with the materials for the resolution of the land dispute; to take notes from them; to participate in sessions of the executive committee of the local soviet of people's deputies when considering the land dispute; to present documents and other testimony; to make petition; to provide oral and written clarifications; to object to petitions, arguments and representations of the other party; to obtain a copy of the decision on a land dispute and to appeal the decision passed on a land dispute.

The parties are obligated to make conscientious use of the rights granted to them.

Article 169. The decision regarding a land dispute.

The body that considers the land dispute makes the decision. The procedure for executing it and measures that are subject to implementation for restoring the violated rights of land users may be stipulated in it where necessary.

Article 170. Procedure for appealing decisions regarding land disputes.

Decisions on land disputes, aside from those indicated in Articles 165 and 172 of this code, may be appealed by the interested parties to a higher executive committee of the soviet of people's deputies, to the Council of Ministers of the Nakhichevan ASSR or to the Council of Ministers of the Azerbaijan SSR.

Article 171. The execution of the decisions regarding land disputes.

Decisions regarding land disputes are executed by land-use management bodies if the decision itself does not charge its execution to a different body.

The body that has made the decision regarding the land dispute has the right to halt the execution of the decision until consideration of the appeal by a higher body. If the execution is not halted, the decision is put into execution regardless of its appeal.

Article 172. Procedure for resolving property disputes associated with land relations.

Property disputes associated with land relations are resolved by the courts or state arbitration in accordance with their authority.

Part XXIX. Liability for Violations of Land Legislation**Article 173. The invalidity of deals violating the right of state ownership of the land.**

Buying, selling, gifting, pledging or unauthorized exchanging of plots of land are invalid.

Article 174. Liability for violating land legislation.

Individuals guilty of unauthorized occupation of a plot of land, as well as the ruining of agricultural or other lands, contamination of them with chemical or radioactive substances, production wastes and effluent, the placement, construction, planning or operational start-up of facilities that have a negative effect on the state of the lands, failure to fulfill the requirements of the environmental-protection regimen for the utilization of lands, violations of the return of temporarily occupied lands or failure to fulfill the obligations for putting them into a state suitable for utilization for their intended purpose, destruction of boundary markers by land users and distortion of state registration, accounting or valuation information, bear civil and administrative liability in accordance with the legislation of the Azerbaijan SSR.

Article 175. Return of plots of land occupied without authorization.

Plots of land occupied without authorization are returned to whom they belong without restitution for expenditures made over the time of unlawful use.

Article 176. Restitution for harm caused as the result of violations of land legislation.

Enterprises, institutions, organizations and citizens are obliged to make restitution for harm caused by them as the result of violations of land legislation.

Section XV. International Treaties**Article 177. International treaties.**

If other rules than those that are contained in the land legislation of the Azerbaijan SSR are established by an international treaty of the Azerbaijan SSR, the rules of the international treaty are applied.

Ukraine's Economic Reform Commission Head on Market Economy

914A0149A Kiev RABOCHAYA GAZETA in Russian
31 Oct 90 p 2

[Interview with V. M. Pilipchuk, chairman, UkSSR Supreme Soviet Commission on the Economic Reform and Management of the Economy, by A. Kovtun: "Prosperity Must Be Earned"]

[Text] The Ukraine parliament has begun to discuss the program for transition to the market. What will this transition be like, and what awaits each of us already in the near future? V. M. Pilipchuk, chairman, UkSSR Supreme Soviet Commission on the Economic Reform and Management of the Economy, answers these and other questions. As is known, on Monday Vladimir Mefodyevich ran for the post of head of government.

[Kovtun] Vladimir Mefodyevich, nowadays they sometimes joke that if you have two economists they will have three concepts for the economy. This is a highly transparent allusion to the union programs for transition to the market. It is true that of them only the "Basic Directions" remains. Did your commission examine any alternative variants, or was there only one republic program from the very outset?

[Pilipchuk] Even if a rigid, totalitarian government were introduced today, there would be no changes for the better in the economy except, perhaps, minimal. The system exhausted itself. It was falling apart. As for the transition to the market, everyone already knows what must be done: denationalize property, and introduce free enterprise, with all the regulators that operate throughout the world: taxes, benefits. How to do this is another matter. In our program there are 11 avenues of economic life. And goals, directions, technology and scenarios in time and space have been defined in each. But, after it was created the government, which hardly participated in the preliminary stage, began to "modernize" it. Following this the document became half as large; i. e., turned into a conspectus. There are fundamental differences: the republic government recognizes union property and does not recognize private property, in particular property in land. In foreign economic activity by enterprises, the governmental variant considers all

currency to be state property, while ours stipulates that he who earned the currency should dispose of it, after paying taxes.

[Kovtun] You said that following "modernization" of the deputies' program certain mechanisms in it disappeared. Can this be so important?

[Pilipchuk] What do you think? Is the activity of an anti-monopoly committee important?

[Kovtun] All reforms, both in the U. S. and in Japan, began with the creation of such a committee. Will we really not have one?

[Pilipchuk] There will be one. But, according to the government program it will be subordinated to the government, which significantly reduces its influence.

Moreover, very important duties of the anti-monopoly committee did not yet get into the "final version:" development of recommendations for the authorities and government bodies for the development and functioning of competitive markets; examination of laws and normative documents; monitoring of any economic activities by the authorities and government bodies, as well as by managerial personnel, which might lead to anti-monopoly activity.

One of the proposals, which did not get through the "government sieve," was to form a cabinet of six ministers, headed by a premier, and to entrust to it full executive power and responsibility for economic decisions. If the premier leaves, his team goes with him. In this way we can raise the personal responsibility of the government. You see, today's Council of Ministers is too unwieldy a structure, and is not meeting urgent needs.

[Kovtun] It would be naive to think that a government formed by Masol would agree to such radical steps. But the deputies still have opportunities to return to these sections; otherwise the path to the market will be more painful. By the way, you know I fear that to some of our non-specialist readers such a thorough analysis of anti-monopoly laws may seem too theoretical.

[Pilipchuk] And what is most troubling your readers?

[Kovtun] That the majority do not have the money to acquire stock shares and, therefore, will become still poorer upon the transition to the market. We get letters saying: "The mafia will buy up the enterprises, and we will work in them."

[Pilipchuk] You can reassure your readers concerning the mafia. And as for privatization, this mechanism truly did raise many questions among both delegates and specialists. To sell or give away for free? Let us say that we sell. Compare the Arsenal Factory, with its millions of rubles' worth of fixed capital, and a small barber shop. One person works at a factory, another in a school, and a third does not work anywhere at all, has been an invalid since childhood. How can equal starting conditions for acquiring stock shares be created for them?

[Kovtun] But there already exists the experience of other countries. The former GDR, for example. There values subject to privatization were simply divided by the number of residents, this sum was called people's bonds, and they were dispensed to the people. And what are you proposing? To buy stock shares or people's bonds, or to receive them gratis?

[Pilipchuk] To buy them.

[Kovtun] But we are a poor society. And must we pay a second time? I have in mind that fixed capital—of the enterprise, the BAM, and housing—were built by means of underpaying the worker, the teacher, and the kolkhoz peasant for their labor. In addition, if property in our country is considered to belong to all the people, doesn't it turn out that we will be buying from ourselves?

[Pilipchuk] As for property belonging to all the people, tell me please whether you could use, dispose of or possess this property? Remember the chemical factory in the Crimea? The people's property. And the people were absolutely unable to close it. So let us leave ideological dogmas behind us. To give away the people's property would be a beautiful gesture. And that is all. And the act of buying and selling is already an element of the market, a legal act, and it will never be revoked by any decrees or decisions. One's attitude toward that which is free is entirely different than toward what has been earned by one's own labor. You know, my great-grandfather fought against Petlyura, because Petlyura promised to sell the land, and the Bolsheviks promised to give it away. But, when the former wanted to buy his hay, my great-grandfather did not sell it, since they were paying little. And the Bolsheviks, without even asking, took it all down to the stalks. Then my great-grandfather understood what "free" means.

It is another matter that the sale of stock shares during the period of denationalization will be under beneficial conditions.

[Kovtun] Tell us in more detail. Who will have the right to acquire stock shares, and for what sum?

[Pilipchuk] All residents of the Ukraine will have the right, regardless of whether they work in production, or in a school, or in the services sector. Also pensioners, invalids, and even infants.

One person will get stock shares worth 4,500 rubles. But, in order to redeem them in the course of a year, or still better by 1 July of the next year, something a little less than a thousand rubles will be needed. The stock shares are personal. If, say, parents purchased stock shares for their child, the securities will be in the name of the child. And, once they are redeemed, they can be invested in a specific industry.

[Kovtun] How would it be, for example, for a single pensioner, who cannot save such a sum?

[Pilipchuk] They, as well as invalids and orphaned children, may obtain stock shares without paying for

them. But, not for 4,500 rubles, but for three and something; i. e., minus the monetary payment. All other people, who can pay, must pay or purchase on credit.

[Kovtun] And if someone does not want to?

[Pilipchuk] It is a personal matter. He will lose his chance to buy four thousand rubles for one thousand rubles.

[Kovtun] As I understand it, in this way a stock market, in addition to a commodity market, will be created. Until recently Western specialists were skeptical about the possibility of a stock market. And without this, market relations are sort of "not real." But, let us return to the program. For what time period is it planned?

[Pilipchuk] If we create normal mechanisms, introduce our own currency, and shift to free enterprise, we will be able to consider that some rudiments of a market exist. The work is planned for 1991-1992.

[Kovtun] At the beginning our our conversation you said that "transition scenarios in time and space" have been developed. Thus, if the program is not implemented, can it become out of date?

[Pilipchuk] Naturally. Had the republic shifted to the market four years ago, the path would have been simpler. The longer the start of the transition is put off, the more sacrifices it will cost us.

[Kovtun] In that case, I wish for both the deputies and the government wisdom and balanced judgment, and to all of us rapid changes on the path to the market.

Armenian Co-op Union Head on Economic Revitalization Plan

914A0123A Yerevan GOLOS ARMENII in Russian
31 Oct 90 p 2

[Interview with Albert Oganesyan, president, Co-operative Union, candidate of economic sciences, by L. Pogosyan: "The 'Eko-Ayk' Program: A Timely Interview"]

[Text] With the victory of the democratic forces in this republic, the ideas of the Armenian people's economic and spiritual development must be embodied in a large-scale program of measures which will assist in overcoming the present-day crisis. Specialists in various spheres of public life are working on the creation of such a program. And in all probability the Armenian parliament will soon address itself to the task of working out an integrated complex of measures to overcome the situation which has evolved.

Today we want to acquaint you with the Basic Positions of the Program for Armenia's Economic Revival. It is entitled "Eko-Ayk" and was developed by economists who are members of the Free Labor Movement's Organizational Committee; in this matter we will be helped by one of the

Program's authors. He is Albert Oganesyan, president of the Co-operative Union and a candidate of economic sciences.

[L. Pogosyan] Would you please briefly characterize for us what the Free Labor Movement comprises.

[A. Oganesyan] The Free Labor Movement has the goal of protecting the interests of workers who are directly involved in creating material goods. In February of the current year an Extraordinary Congress of the Co-operative Union witnessed the establishment of an Organizational Committee. Its first task was to create an alternative economic program.

I cannot predict the further course of democratic changes in this republic, but it's possible that in the future this movement could become a party.

[L. Pogosyan] In May of this year a Draft Concept of Economic Independence for the Armenian SSR was published in the pages of our newspaper. The program which you are proposing seems to differ from it. Is that true?

[A. Oganesyan] I would say that it is radically different. The Draft Concept contains wishes and desires but no specific measures for managing the economy at the given stage of transition. How should the transition from the old to the new be made? How should we convert to the new economic system on the basis of the economic system which has evolved?

To be sure, the multiplicity of forms of property is mentioned, but, in our opinion, their program does not provide for the transition from an all-state property ownership to a denationalization of the basic forms of property.

We must acknowledge that socialist property ownership is an artificially created myth. In its essence, it is a kind of "draw" or "no-man's-land" kind of property ownership and, therefore, not viable. Moreover, world practical experience knows of no case where the transition has been made from socialist property ownership to multiple and diverse forms.

We have attempted to work out a mechanism for making the transition. Our program is a first step; it will allow us to utilize the present-day possibilities and resources to improve the population's social and everyday-living conditions. Its goal is to create—during the course of a year—the conditions for relaxing social tension. This will be based on combining all forms of property ownership and developing market-type relations, as well as achieving fundamental changes in the field of producing consumer goods and services, along with substantially improving the housing situation for the population of this republic.

Recent events in the republic testify to the shift of power to the democrats. And there is no doubt that running the economy in an administrative-command spirit is no

longer possible. Managing this economy must be keyed to independent farmers, co-op members, and shareholders.

[L. Pogosyan] What were your points of departure in working out this program?

[A. Oganesyan] They were the fundamental principles of a democratic society and the end goal—satisfying the needs of each person without inflicting damage to the interests of others.

What was urgent and topical for us was not merely providing for the economic needs of the population but also its needs for social protection.

Furthermore, a persistent need to strengthen the national state, a guarantee of the purity of the environment in which we live, and several other factors.

A democratic society is suitable for a market-type structure of the economy, one which is based upon multiple and diverse forms of property ownership and forms of enterprise or entrepreneurship. In addition to a market for goods and services, a market-type system must also include markets for monetary funds, capital investments, and manpower. The role to be played by the state will depend upon circumstances. Under extreme conditions it will be a large role, while under normal conditions there will be minimal involvement of state-type management in economic life. This will include the following: economic-management legislation, establishing taxes and tax privileges, finance-credit regulation, monitoring-controls on the observance of norms for the population's social protection, as well as ecological and other norms in the production processes.

At present the key factor must be a complex of measures whose implementation will rapidly and substantially improve the situation in the consumer market. Development of productive forces in this republic by means of goods and services could feed, clothe, and shoe people, provide them with housing, and set aside funds for ensuring state stability and security.

[L. Pogosyan] At the beginning of this interview you mentioned the existing economic potential in the sense of utilizing it during the transitional stage. What specifically did you have in mind?

[A. Oganesyan] The "Eko-Ayk" start-up complex rests primarily upon management decisions which have already been legitimized during the course of the present-day perestroika, including that in our republic, as well as on the practical experience of world economic development under extreme conditions. The incipient process of de-ideologizing economic management has ensured equal rights for individual, collective, and state forms of ownership of the means of production, i.e., producer goods. These equal rights have been strengthened in laws concerning property ownership, land, cooperatives, leasing, the rights of local organs of authority, etc.

I am not asserting that these legislative acts have fully met all the conditions of efficient economic management, but they do allow us to take important practical steps. Examples of this are to be found in the experience of the Artsvakar Food Combine, which is based on cooperative principles (located in the city of Kamo), the Moskovskiy Low-Voltage Appliance Plant, construction organizations which are directed by USSR People's Deputies Bocharov and Travkin, the cooperative based at the Zybino Sovkhoz, the Sivkov Seed Farm, the interdepartmental Fedorov Eye Micro-Surgery Scientific and Technical Complex, and many others. It demonstrates that, without additional investments or with modest investments over the course of several months, one can increase product output several-fold, expand the assortment, and improve the quality. Moreover, this can be accomplished without any significant price increase on the products concerned.

In order to implement the economic policy aimed at normalizing the consumer market and the entire economic system, we need to disseminate or extend the new forms of entrepreneurship throughout the entire national economy. But for this purpose it is necessary that decisions be made by the republic's highest organs of authority concerning the most rapid possible denationalization of the national economy's major sectors and the introduction of economic levers for managing them.

[L. Pogosyan] But just what kind of mechanism have you worked out for ensuring the most rapid possible implementation of the economic policy?

[A. Oganesyan] In the first place, to prepare and adopt legislation concerning Armenia's government, all departments involved with the state administration of the national economy, concerning various types of enterprises in this republic, the conversion of state enterprises, the system of state regulation of economic activity and the social protection of citizens.

Please note that we are not proposing to utilize the principles—prevalent during the 1930's—of administrative force to implement the changes of state enterprises, but merely the following economic method: if its is profitable, convert it to the new form; if not, then it is subject to liquidation.

The second thing is to urgently begin negotiations with the federal organs concerning the listing of defense-type enterprises and facilities which are located on the territory of this republic; they should be relegated to the category of joint ownership between Armenia and the new federal type of Union.

We should retain for the republic's ownership those enterprises which are connected with carrying out major programs of scientific and technical progress and the optimal development of this republic, with the production of items and other activities in the spheres of preventing or struggling against epidemics, consequences of natural disasters, the production of narcotic

or other powerfully acting medications, and the production of strong alcoholic beverages, reworking or processing precious metals and other products of a monopoly type, as well as the creation of republic-level reserves.

Enterprises connected with a city's economy should be under the municipal administration; these would include public types of buildings and facilities as well as urban transport.

The list of enterprises to be kept subordinate to public organizations is to be determined on the basis of their furnishing materials confirming their right to the property created by the funds of these organizations.

In the third place, it should be established that, in accordance with a decision by the labor collectives of enterprises in all the other industrial sectors, including the state-run public-economic organization of consumer cooperatives and municipal needs, everyday-service activities, which utilize fixed and working capital, and are now owned by the state or by the administrative organs of a consumer cooperative, can be converted into collective or individual enterprises, with a transfer of the property to the collectives on a lease-type basis, as well as under the conditions of purchasing the property outright, including the land.

In addition to this, we propose that the appropriate commission of the Supreme Soviet set up monitoring controls on the actions of the law-enforcement organs, intercepting all kinds of harassment on the part of the present-day owners of the property in matters of implementing the rights of the labor collectives to the free choice of the form of property ownership, taking into consideration the presence of technical, economic, and organizational grounds affecting the transition to the new forms of economic management.

For the most rapid possible delivery of goods and services to the population, a special decree must be adopted specifying the policy of economic benefits and the organizational provisions for reviving the urban consumer cooperatives.

[L. Pogosyan] New economic programs are usually met by the public with a certain portion of distrust, as a threat that the already-low standard of living will decline even further....

[A. Oganesyan] It is impossible to implement the economic program without a certain amount of decline in the standard of living. But, to my way of thinking, the "Eko-Ayk" Program, in all cases, is the prescription with the least side-effects.

INTERREGIONAL, FOREIGN TRADE

Economist on Improving Armenian Hard Currency Reserves

914A0124A Yerevan *GOLOS ARMENII* in Russian
31 Oct 90 pp 1, 2

[Article by Candidate of Economic Sciences T. Mamasaryan under: "Way to the Market" rubric: "How Much the Ruble Is Worth or On the Currency-Financial Improvement of the Republic's Economy"]

[Text] The country's existing economic, currency and legal mechanisms are creating considerable difficulties for the effective functioning of the economy while attracting foreign entrepreneurs.

If a number of reasons (lack of guarantees for foreign capital, questions of ownership, etc.) hindering radical economic reform can be rectified through the adoption of the appropriate laws, then it is already necessary to begin to resolve the problem of the shortage of freely convertible currency and the convertibility of the Soviet ruble in the scope of the republic, to utilize the currency and economic potential of the influential Armenian diaspora and to reorganize the currency-economic and banking systems.

As a whole measures must be aimed at the development of the export potential. The concept includes not only the availability of goods and services suitable for sale in the world market, but also the republic's capability of exporting them in the necessary quantity, quality, and assortment and in time for the fulfillment of contractual obligations.

As practice has confirmed, the development of an export potential depends not only upon economic preconditions. Last year the republic's currency receipts (in internal prices) from deliveries of goods for export amounted to just 58 million foreign-exchange rubles instead of 150 million rubles, and 28 percent of this was in freely convertible currency. The currency receipts from the export of machinery and equipment amounted to 1.1495 million foreign-exchange rubles and those from the export of raw materials, supplies and consumer goods came to 15.1 million.

The permanent blockade of the railroads by Azerbaijan is doing substantial harm both to the export potential and to the entire economy of Armenia. There was an increase in unemployment, to some extent because of refugees from Azerbaijan. All of this complicated the political situation in the region and led to the formation of an unfavorable business climate and to a lack of trust in cooperation on the part of foreign partners. After the well-known events in Baku, there was a sharp fall in the prices of the stocks of those Western companies that extended a helping hand from the first days of the December earthquake and established ties with enterprises and organizations in Armenia.

This once again confirms the idea that politics and economics are inseparably linked, whereby politics has become determinant in the case at hand. Meanwhile, the need for foreign investments remains acute. As for the utilization of existing foreign exchange in the disaster zone, the following can be noted. The available currency is extremely inadequate for the establishment and functioning of a system of joint enterprises and—in the future—zones of free enterprise. According to our calculations, it is expedient to carry out several tasks for the establishment of the corresponding infrastructure on the basis of local resources, which will make it possible to undertake real steps toward cooperation with foreign firms.

Urgent measures are necessary for the foreign-exchange and financial improvement of its export potential and for the raising of the effectiveness of the republic's foreign economic ties. For this purpose it is necessary to replace the policy of providing foreign exchange with a system for the making available of loans in foreign currency. **The making of foreign-exchange loans must be free of the inefficient mechanism of limitation.** Above all one should activate the advancement of foreign-exchange loans to joint enterprises for export-import and other operations. As for a mechanism for the distribution of foreign-exchange credits, it must be based on an in-depth analysis of financial and currency activities and calculations of economic effectiveness taking into account the prospects for the development of the given enterprise.

Sources for foreign-exchange credits may include receipts from the activities of joint and foreign companies, currency auctions and securities markets, which can be organized by the Armenian republic bank of the USSR Vneshekonombank [Bank for Foreign Economic Activity], and also other currency centralized in his bank as well as aid in foreign exchange accumulated in many countries of the world for the purpose of eliminating the consequences of the earthquake. **Finally, for the efficient use of the republic's foreign-exchange resources, it is necessary to find a reasonable relationship between the powers of the government, banks, enterprises and organizations.**

The existing banking system is inadequately efficient in serving the foreign economic ties of the republic. The Armenian republic bank of USSR Vneshekonombank is called upon to extend credit for foreign trade and to service clearing and export-import operations. But the limited nature of the functions that it performs as well as the untimely resolution of a number of complex questions having to do with foreign economic ties require the restructuring and expansion of the functions of the Vneshekonombank of Armenia. Its new functions must include the price quotation of currency in the territory of the republic, the organization of a currency market and auctions of a funds exchange, the regulation of interest rates in accordance with economic conditions, the extension of credit for export-import operations, technical

and economic analysis of specific projects and the assessment of solvency in the extension of credits, the establishment of new correspondent ties and the performance of banking operations with foreign banks.

Today there is a perceived need for new business banks. Essentially they may be shareholders or economic agencies of the republic capable of credit cooperation, factoring operations and so on. What is meant is the establishment of joint-stock, cooperative, commercial, mixed (with state participation) and other business banks. Every sector of ownership must strive to have not only political institutions but also foreign-exchange and financial institutions (e.g., a Cooperative Bank for the cooperatives, etc.).

It is expected that the new banks, functioning in the unified monetary and credit system of the country, will be capable of concentrating in their hands and redistributing the existing foreign exchange in the form of currency credits and will be transformed from mere intermediaries into powerful currency and financial agencies that also participate in the financing of the construction of facilities (including in the zone of the disaster).

These and other measures must create interbank competition and lead to a two-level organization of the development of the banking system, which will permit specialized banks themselves to select the most efficient system of management, to establish true partnership relations of banks with their clients and thereby to eliminate inefficient monopoly in banking. The establishment of a vigorous tax inspectorate will also do much to help in the achievement of the indicated objectives. The result will be the possibility of simultaneously realizing a unified foreign-exchange and economic policy of the republic.

It also appears expedient to establish an International Bank for Armenian Capital and Business Cooperation. This measure will help in the development and implementation of an efficient currency and economic policy free from the limits of currency credit, will create a flexible mechanism for the regulation of interest rates, will raise the efficiency of banking work and will ensure the level of its technical equipment as well as guarantees and more favorable conditions for the custody of the capital of influential business circles—representatives of the foreign Armenian diaspora—thereby promoting the flow of currency and its use in the economy of the republic.

The improvement of the economy of Armenia with respect to currency and finances will also be helped considerably by the organization in the republic of an International Joint-Stock Fund (Hungary has gained a certain amount of experience in effective action in this area) with the preliminary elaboration of a concept for its development. The holders of its shares (and they may be Soviet citizens, enterprises and legal entities having freely convertible currency as well as representatives of the Armenian diaspora and other foreign entrepreneurs).

investing their capital through the fund in different branches of the economy, will thereby not only provide help to the regeneration of the regions suffering from the earthquake, establishing export-oriented production and obtaining fixed dividends, but also contribute to the convertibility of the ruble within the scope of the republic.

Under the conditions of the market on the basis of the action of the law of value, the restoration of the convertibility of the ruble will make its rate one of the universal means of control in the regulation of the economy. Taking into account the fact that the world market represents a well organized market primarily of developed capitalistic countries, it is necessary, in the first place, to achieve internal convertibility on the scale of the republic and, secondly, to proceed to external convertibility.

As for the introduction of Armenian bank notes, this measure, in my opinion, is premature and the emission of new money is not a solution to the existing problems. Nevertheless, the transition to Armenian bank notes must take place in stages through an improvement of the competitiveness of output as well as the real purchasing power of the ruble due to the corresponding provision with commodities, through the establishment of a healthy republic market and the organization of ties with other regions of the country and foreign countries with a developed commodity market and through the achievement of the necessary currency coverage and provision by means of the sale of output for freely convertible currency. All of this will make it possible in the future to resolve only technical questions having to do with the emission and quoting of Armenian bank notes. It is proposed that initially it be permitted to have the ruble in circulation along with Armenian bank notes and other currencies: in accordance with the well-known law of money in effect as far back as the 16th century, so-called "good" money drives out "bad" money.

At the present time, it is possible to introduce new accounting units for individual kinds of output, which also contributes to the restoration of the convertibility of currency. This will make it possible to commensurate all sides of the republic's economy with the world economy and to make a real assessment of the economic potential and possibilities for the development of foreign economic ties.

The absence of free convertibility of currency caused by the lack of the proper coverage and development of wholesale trade and by the deficit in the state budget can be compensated through the implementation of a whole series of measures. They include raising the level of competitiveness (export capability) of the republic's output: it is now possible basically because of the improvement of the mechanism for the management of operating enterprises and the establishment of joint-stock formations and joint enterprises; the organization of entire foreign firms in the territory of the republic; the establishment of new export zones. And, of course, great

importance is attached to radical measures to reduce the rate of inflation. For the existing link between the state budget and the banking system today does not permit a reduction of the level of inflation: with the danger of the bankruptcy of many enterprises and organizations, the corresponding financial assistance of the state follows.

The area for the application of efforts is broad and diverse. It includes the elimination of so-called surplus money through the sale of state obligations to the public, the issue of shares for joint-stock enterprises, the sale of housing and garden plots, the organization of various auctions, a stock market, securities exchanges, etc. It includes the establishment of a currency market, which will make it possible to determine the real price of currency and the orientation of the ruble to the currency of the countries participating in most of the key joint enterprises in the economy or to the currency of those countries where the Armenian diaspora is more influential. It also includes the granting of extensive possibilities to specialists of different occupations to earn freely convertible currency abroad.

For the normalization of the economy, it is also necessary to introduce an efficient system of taxation, to improve the price-setting mechanism, to stimulate the production of goods for export through prices, to open company stores of foreign firms and to establish commercial prices for trade in the commodities of foreign firms, to eliminate the currency monopoly and to regulate on an operational basis the interest rates of bank loans based on economic conditions.

All of these measures need to be implemented in a systematic and balanced manner, having the necessary preconditions in advance. In the event of the unprepared introduction of the convertibility of the ruble, its rate in the market will fall abruptly and hundreds of billions of rubles in the currency market will be chasing freely convertible currency. It is necessary to consider that convertibility will not be restored immediately. In the practice of international economic relations, the time for the introduction of free convertibility of currency ranges from two to 20 years. After the well-known Bretton Woods Conference, for example, convertibility for many countries of the world was achieved after 14 to 15 years. According to the IMF, many member countries are still maintaining restrictions on operations with foreign currency and have not gone to complete convertibility of their national currencies.

We must study in depth questions having to do with the utilization of the potential possibilities of international currency markets. One should thereby pay attention to the positive as well as the negative aspects of this experience.

The resolution of the problem of the normalization of the republic's economy with respect to currency and finances is incompatible with the administrative-command system. Accordingly, a new economic mechanism operating on the basis of market laws is required. There is a fear that this

will lead to extreme fluctuations in the international currency market. But since the resolution of strategic questions remains a matter for the center, it is possible to avoid negative aspects of the market. State investments, economically privileged state orders, the regulation of maximum price ceilings, bank interest for loans, rent and an efficient tax policy—only in this way is it possible to make commodity production sufficiently organized and to prevent many costs that are unavoidable in an economy operating on the basis of the law of value under the conditions of the free market.

Northwestern RSFSR Cities Forming 'Hanseatic League'

914A0154A Leningrad LENINGRADSKAYA PRAVDA in Russian 4 Nov 90 p 2

[Editorial: "The 'Hanseatic League' Is Reborn"]

[Text] Fifteen cities of Northwestern Russia have united in a voluntary organization patterned after the famous "Hanseatic League." As we know, it was an association of "city-republics." Henceforth, cities such as Leningrad, Murmansk, Arkhangelsk, Novgorod, and others together with neighboring territories are creating its infrastructure—an interregional development bank, interregional stock and trade exchanges, a commodity data bank, and a network of business schools. It has also been decided to conduct economic and political monitoring and to establish a number of mass media. Prospects for turning the "League of Cities of Northwestern Russia" into an international league are being discussed.

The new league, according to the design of the founders, will make it possible to ensure a normal standard of living for the population in conditions of a market economy. It is planned to achieve this goal by implementing a whole set of measures and programs being devised by specialists with the involvement of the public and people's deputies.

Uzbekistan Issues Decree on Hard Currency Reserves

914A0134A Tashkent PRAVDA VOSTOKA in Russian 28 Oct 90 p 3

["In the Council of Ministers of the Uzbek SSR"]

[Text] The republic Council of Ministers has adopted a resolution "On the Formation of Foreign-Currency Funds in 1991."

The development of the republic's foreign-economic ties is aimed at fundamentally improving the Uzbekistan economy's qualitative parameters, expanding republic-wide programs in public health, housing, science and culture and, ultimately, enhancing the well-being of the republic's population by increasing production efficiency, labor productivity, and saturation of the internal market.

The republic's foreign-currency funds, which are put together from foreign-currency remittances by the enterprises and organizations of the Uzbek SSR that engage in export, are expected to play a role of some importance in accomplishing the assigned tasks.

The new procedure established by the resolution differs fundamentally from the existing rules for foreign-currency remittances.

It consists of the following: According to the republic Council of Ministers' resolution, all enterprises and organizations, regardless of departmental affiliation, pay 25 percent of their foreign-currency earnings to the Union budget to finance the national, state (Union) needs that the republics delegate to the Union. For example, maintenance of the Army, grain imports, and the financing of the space program and other such programs. The previous procedure for foreign-currency remittances was based on a schedule of payments to the Union budget that was differentiated by sector of the economy. Thus, for example, payments to the Union budget amounted to 30 percent for enterprises of the State Cooperatives and Agricultural Committee, 50 percent for those under the Ministry of Light Industry, 40 percent for the Ministry of Building Materials, etc. Union enterprises located in Uzbekistan paid five percent of their foreign-currency revenues to the local Soviets (the Kara-Kalpak ASSR, the province Soviet executive committees and the Tashkent City Soviet Executive Committee). However, the resolution that has just been adopted, which proceeds from the interests of the republic, establishes unified normative levels for payments: 25 percent to the Union budget, 25 percent to the republic foreign-currency fund (except for revenues from products of the Uzbekistan Chief Light-Industry Supply and Marketing Committee), 10 percent to the reserve (emergency) fund of the Uzbek SSR Council of Ministers, 15 percent to the local Soviets, and 25 percent to the enterprises and organizations doing the exporting.

The experience of recent years shows the necessity of creating a republic reserve (emergency) foreign-currency fund. In extraordinary circumstances, this fund is to play an important role in normalizing the situation in various sectors of the economy. With that aim in mind, a reserve (emergency) fund of the Uzbek SSR Council of Ministers will be formed at the level of 10 percent of foreign-currency revenues, for utilization solely in case of unforeseen circumstances—for example, in case of drought, earthquake, crop failure, purchase of imported grain, meat, medicines and other goods to support the internal market, etc. At the end of the fiscal year, unutilized foreign-currency balances in the reserve (emergency) fund are automatically carried forward to the following year and may be used for the stated purposes. Sums that are not utilized and therefore build up in the reserve fund (for want of a need for their use) will be converted to a gold reserve for the benefit of the future generation.

With foreign-economic ties undergoing democratization, it is very important that the foreign-currency payments mechanism provide a stimulus to expanded production of competitive goods for export and to the promotion of Uzbek goods. Therefore the resolution of the Uzbek SSR Council of Ministers stipulates that 90 percent of foreign-currency revenues earned from above-plan deliveries (deliveries in excess of state orders and contractual obligations) are to remain in the province where they were earned. This will make it possible, first, to give exporting enterprises a greater stake in these matters, and second, will enable the province to solve social and economic problems on its own.

Unquestionably, the resolution makes possible an expansion of the authority enjoyed by enterprises and organizations, which are free to spend the foreign-currency resources at their own discretion (by decision of the labor collectives). In addition, collective farms, state farms and other cotton-planting farms will have the right to 80 percent of the share of foreign-currency earnings credited to the principal supplier of the [cotton] goods. The mechanism for transferring the foreign-currency revenues is as follows: The foreign-currency earnings hit

the account of the foreign-trade organizations (participants in foreign-economic ties that have the right to export directly); upon receipt of the foreign currency that is due the organization with the foreign-economic ties, 25 percent of the foreign-currency earnings are transferred to a special account at the Uzbek SSR Bank for Foreign Economic Activity, for subsequent transfer to the Union budget. The actual transfers to the Union budget are made as the foreign currency is received in payment for deliveries of export goods. In accordance with the resolution, the Uzbek SSR Bank for Foreign Economic Activity, when so instructed by the client, automatically makes appropriate payments to the funds of the Uzbek SSR Council of Ministers, the Kara-Kalpak ASSR, the province Soviet executive committees, the Tashkent City Soviet Executive Committee, and the enterprises that supplied the goods.

Mindful of the fact that there have been instances in which exporters have concealed their foreign-currency funds in order to evade the appropriate transfers of foreign currency to higher bodies, and for the purpose of ruling out such cases, the resolution of the Uzbek SSR Council of Ministers provides for fines of 0.2 percent of the foreign-currency earnings per day of lateness in making the payments.

AGRO-ECONOMICS, POLICY, ORGANIZATION

Foreign Interest In Soviet Agriculture Explored

U.S. Involvement in Kazakhstan

914B0036A Moscow SELSKAYA ZHIZN in Russian
25 Sep 90 First Edition p 3

[Article by V. Yelufimov, Alma-Ata: "Americans In Kazakhstan"]

[Text] Our grain growers have not learned anything from the importing of grain. Casual trips to the other continent have also proved to be of little benefit. And would it not be better to lease land to the Americans on kolkhoz and sovkhoz lands and thus learn directly from them on the spot? Such was the method selected in Kazakhstan.

The plans called for approximately 100,000 hectares of arable land to be made available for the U.S. farmers. Using their own technology and equipment, the Americans are carrying out an entire cycle of work on this area associated with the cultivation of wheat and other agricultural crops and with subsequent thorough processing of the crops. In the southern part of the republic, the Americans are furnishing assistance in the production and processing of soybeans and in improving the quality of tobacco and the products obtained from it. In the near future and based upon a coordinated schedule, equipment deliveries from abroad will commence for large plants engaged in extracting oil from soybeans and corn, for confectionery and tobacco factories, for meat combines and creameries, for the milling and mixed feed industries and for the production of construction materials and consumer goods.

Joint enterprises for the production of agricultural equipment will be created in Pavlodar, Karaganda and Tselinograd and others will be established in western Kazakhstan for the extraction and thorough refining of petroleum. An American-Kazakhstan bank has been created for the purpose of financing collaboration programs. In this regard, an agreement has just been signed in Alma-Ata between the republic's leaders and the American trade consortium of companies—"ADM," "Johnson and Johnson" and "Chevron."

'Insult' To Peasants

914B0036B Moscow SELSKAYA ZHIZN in Russian
27 Oct 90 First Edition p 1

[Article by N. Tikhonov, Korenovo, Moscow Oblast: "Americans In Kazakhstan"]

[Text] The author rudely insulted all farmers in the Soviet Union when he wrote: "Would it not be better to lease land to the Americans on kolkhoz and sovkhoz land and thus learn directly from them on the spot? Such was the method selected in Kazakhstan." I would like to ask if he is aware of Khudenko's experience—the first sign of Soviet farming, whose experience can surely be

revealed to the Americans with no feeling of shame being experienced. But the experience was rejected in Kazakhstan and Khudenko himself died in prison. Before teaching Soviet farmers, of which we have none, we must find sufficient people desiring to become farmers and select from among them the most industrious, diligent and intelligent individuals. Thereafter, we must allocate land to them and furnish them with assistance in adjusting to the existing conditions.

P.S. Comrade editor, I believe that your newspaper owes an apology to our Soviet peasants for the rude insult addressed to them by your co-worker.

U.S. Wheat Official's Arrival

914B0036C Moscow RABOCHAYA TRIBUNA
in Russian 23 Oct 90 p 2

[Article by L. Boyko, Moscow: "Grain American Style"]

[Text] Ronald Frase, vice president of the American Wheat Association, arrived in Moscow yesterday. This association, which brings together the principal wheat producers in the United States, is one of the chief suppliers of grain to our country and it collaborates actively with our Soviet foreign trade organizations. The purpose of the present visit—to expand scientific-technical contacts and particularly those with the NPO [scientific production association] for grain products.

"We intend to learn from our American colleagues," stated the general director of the NPO, G. Zelinskiy, "regarding the efficient use of resources. We will discuss the problem of standardization and we will adopt a new approach for the commodity classification of grain. That is, in the future we will evaluate its quality not in accordance with the so-called botanical principle (strain, species, sub-species and others) that has been adopted in our country, but rather based upon the method being employed in the United States—according to technological indicators, which in the final analysis define the flour yield obtained from superior grades."

We are simultaneously proposing a number of our own scientific methods and instruments developed at the institute. The Americans have already displayed interest in analyzers for grain weediness. For our part, we are interested in achievements by American firms in the area of grain production. As is known, a typical feature of the technology for this production is the use of a large number of different additives.

A news item: before very long the residents of Moscow will be able to sample some foreign rolls and buns. An agreement has been reached calling for the operation of an American bakery at the NPO. Roughly 3.5 tons of different types of bread will be baked here daily, with the storage period for this bread being higher by a factor of 3-4. True, the price will also be unusual—the bread will be sold according to its production cost, with production expenditures being taken into account.

Report On Uppsala Seminar

914B0036D Moscow SELSKAYA ZHIZN in Russian
16 Nov 90 First Edition p 3

[Article by TASS correspondent T. Lariokhin, Uppsala, Sweden: "Seminar in Uppsala"]

[Text] The Soviet Union is overtaking Sweden in the production of certain types of agricultural products. However, whereas the Swedish stores are literally overflowing with food goods, the shelves in Soviet stores are empty. How does one explain this paradox and how should the agrarian sector of the USSR be developed in order to ensure that the internal market is saturated with food products?

The seminar, which was held on Tuesday at the Swedish university in the city of Uppsala, was dedicated to finding answers to these questions. The Royal Academy of Forestry and Agriculture of Sweden initiated the measures in which experts from western European countries and the USSR participated.

The speakers pointed out that the present situation in the Soviet agrarian sector leaves a great deal to be desired. For example, one third of the potatoes grown in the USSR is being lost during shipment.

However, it was mentioned during the seminar that the USSR's chief agricultural problem is not merely its agricultural backwardness (here a number of firms, including Swedish ones, are prepared to share their experience). In the opinion of many of those who participated in the forum, the present difficulties are explained by the fact that the producers have lost interest in the final results of their labor as a result of incorrect policies in the agrarian sector.

In the USSR, commented the secretary for international questions of the Union of Swedish Farmers, Ingemar Neilson, an attempt was made to "industrialize agriculture" and transform it into a gigantic factory for the production of goods. After banding together in kolkhozes and sovkhozes, the peasants lost interest in their work. Meanwhile, each individual by his very nature strives to make independent decisions. Herein lies the advantage of this type of farming. Neilson does not believe that the Soviet Union has to reject immediately the collective system of land management. However, it is his opinion that it would be more advisable to create cooperative associations in the agrarian sector in which 30-40 individuals would be employed. This would draw them closer to the earth and raise their interest. Neilson is confident that family farms will be employed extensively in the USSR. However, this will require new laws governing ownership, a study of foreign experience, the presentation of state credits to the farmers and a ready supply of agricultural equipment.

During the discussion with the TASS correspondent, one of the organizers of the seminar, Turd Ericson, stated that the goal of the present seminar was not merely exchanging information on the present status of affairs

in USSR agriculture. Rather, the intention was to search for a solution for the situation that had developed. The forum revealed that the chief concern is the desire on the part of the north European countries to assist the Soviet Union in solving the difficult task of carrying out reforms in the agrarian sector and in the economy as a whole.

VASKhNiL President Conceptualizes Agricultural Development

904B0289A Moscow VESTNIK
SELSKOKHOZYAYSTVENNOY NAUKI in Russian
No 8, Aug 90 pp 3-18

[Article by Academician A. A. Nikonorov, president, VASKhNiL: "Conception of the Development of the USSR's Agroindustrial Complex in the Near and Distant Future"]

[Text] The conception of the development of the APK [agroindustrial complex] in the 13th Five-Year Plan and in the distant future was examined, amendments and supplements to the Charter of VASKhNiL [All-Union Academy of Agricultural Sciences imeni V. I. Lenin] were discussed, and reports on the work of the Presidium of VASKhNiL and USSR people's deputies were presented at a session and the Annual General Meeting of VASKhNiL Academicians and Corresponding Members, held 20-21 March 1990 in Moscow.

Information and the principal reports on the VASKhNiL session and its Annual Meeting are offered to the reader below.

Development of the country's agroindustrial complex is acquiring increasingly greater significance and social acuity. A comprehensively substantiated conception is something the APK vitally needs. There is no need to discuss the enormous role played by the APK in our entire economy, in supporting the welfare of the society and of every individual. And at the same time the rate of the APK's economic growth is low, and the most important social, economic and ecological problems remain unsolved.

The Essence and Causes of the Agrarian Crisis

It would not be an exaggeration to say that we are in an agrarian crisis. What is its essence? Shortages and low quality of food, stagnation and high expense of production, ecological crisis, including degradation of land, and destruction of the rural way of life.

According to data of the FAO [Food and Agricultural Organization], the USSR's food self-sufficiency decreased in the 25 years since 1961 from 100 to 92 percent, at the same time that it increased in Western European countries. Imports of principal foodstuffs occupy a high share in our country's food balance.

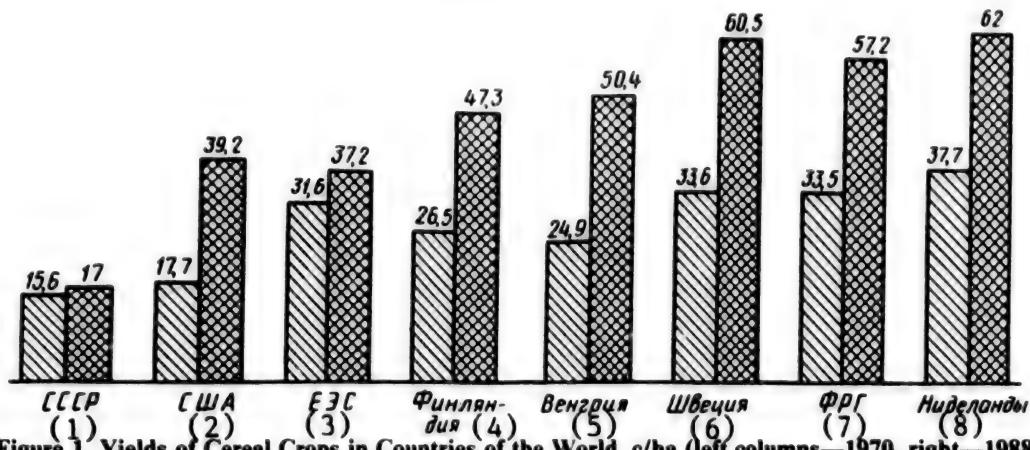


Figure 1. Yields of Cereal Crops in Countries of the World, c/ha (left columns—1970, right—1988)

Key:
1. USSR
2. USA
3. EEC
4. Finland

5. Hungary
6. Sweden
7. FRG
8. Netherlands

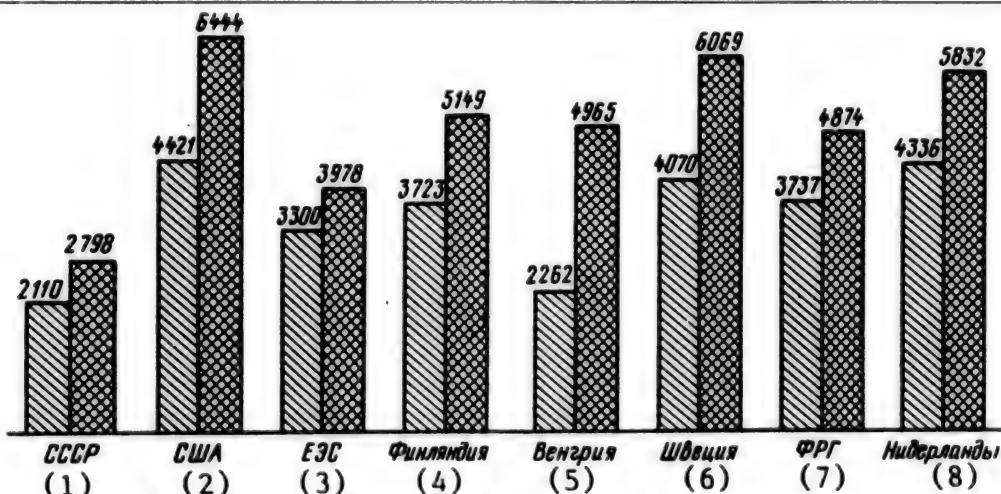


Figure 2. Milk Yields in Countries of the World, kg (left columns—1970, right—1988)

Key:
1. USSR
2. USA
3. EEC
4. Finland

5. Hungary
6. Sweden
7. FRG
8. Netherlands

The agroindustrial complex's production potential is being utilized with the grossest ineffectiveness, and detrimentally to the environment. The productivity of the principal agricultural sectors—farming and livestock—is increasing extremely slowly (figures 1 and 2).

The tendency for the resource-intensiveness of agriculture to grow has not been surmounted. We continue to be wasteful, and the return on production outlays in our country is significantly lower than in developed foreign countries. Evidence of this can be found in the amount of feed expended on livestock production in the USSR and the USA. Thus, expenditures of feed (feed units) per

centner of production are 1.46:1 for milk, 1.51:1 for beef, 1.91:1 for pork and 1.68:1 for poultry. Outlays of fuel and energy per ton of standard grain in the USSR and the USA have a ratio of approximately 3:1.

The ecological situation in rural areas is swiftly worsening. The humus content of soil has decreased by 25-30 percent in many rayons. According to calculations by VASKhNIL Academician I. S. Shatilov, annual accumulation of humus from organic fertilizers and crop residues is 147 million tons, while losses due to erosion and soil mineralization are 264 million tons. Consequently the direct losses, which are equal to 117 million tons, are

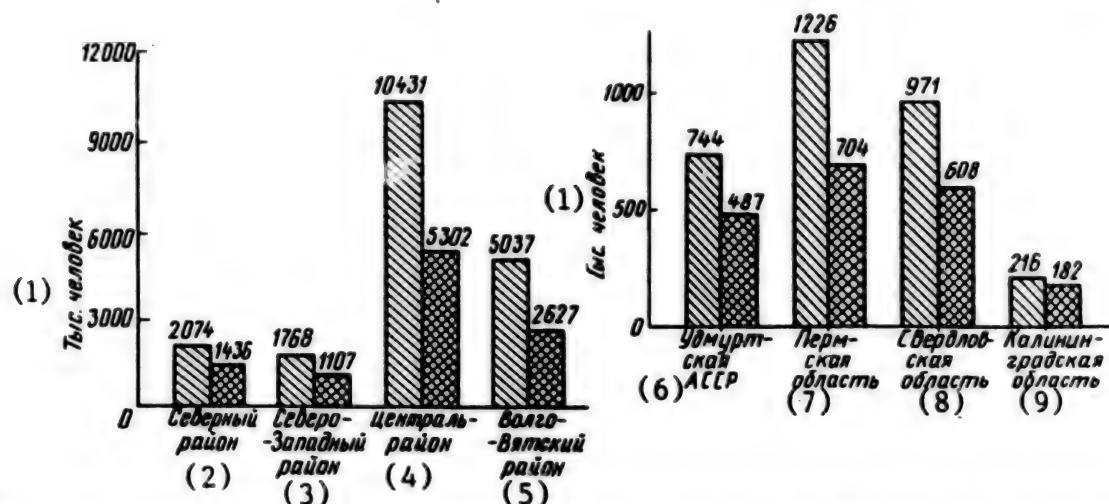


Figure 3. Rural Population of the RSFSR's Nonchernozem, thousands of persons (left columns—1959, right—1989)

Key:

1. Thousands of persons
2. Northern region
3. Northwestern region
4. Central region
5. Volga-Vyatka region

6. Udmurt ASSR
7. Perm Oblast
8. Sverdlovsk Oblast
9. Kaliningrad Oblast

extortionate. Erosion is a danger faced by 54 percent of agricultural land and 67 percent of plowland. In zones of intensive farming, 134 million ha of the land is polluted by atmospheric industrial releases.

A third of farming products contain pesticides, at 10 percent above permissible concentrations. The same proportion of agricultural products do not satisfy public health standards in terms of nitrate concentration.

Social development of the countryside, of the entire infrastructure and especially of road building has fallen extremely far behind. The psychosocial situation has worsened and rural culture is in a decline in rural areas. Migration of rural residents to the cities and depopulation of the countryside are continuing unchecked, though at a somewhat lower rate (Figure 3).

The question we are obliged to answer is this: What are the causes of such prolonged stagnation and of the crisis of the agroindustrial complex?

First of all, decades of political, economic, social and legal discrimination against the peasantry. We destroyed the country's agrarian structure. All strata and social groups of our society suffered from the dismantling of democratic and cooperative institutions, but the peasantry suffered most of all. Even passports were not issued to peasants until the second half of the century. Collectivization, attained by inhuman methods and costing millions of human lives, was a terrible blow to the countryside. National culture was subjected to barbaric destruction, and hundreds of thousands of rural settlements were abandoned, and died.

Second, alienation of the individual from the implements of production and products, blanket nationalization of property, unification of the forms of management, and uncontested supremacy of the command system. This system was most detrimental to agriculture, where economic processes are intertwined with biological ones, and any interference from without can only be harmful. Freedom of economic activity is an indispensable condition of the effectiveness of an agrarian economy. But this one thing, freedom, was absent. No matter what part of the administrative system we look at—planning, labor organization, finances—the peasant was crushed by instructions and stereotyped approaches in all things. He was not free to make his own economic, social and even technological choices. Level or sloping, chernozem or podzol, a 60-centimeter horizon or a palm's width of soil—it was all plowed to the same depth, 22 cm; give according to the plan, make haste, and give without end—always more, always greater, always faster.

Third, an irrational structural and investment policy, lagging development of the material and equipment base of agriculture and processing sectors. Chronic shortages of highly productive, dependable and ecologically safe equipment are an obstacle to forming effective production systems. Around 70 percent of agricultural operations continue to be performed by hand. In food industry, over a third of the equipment has been operating twice beyond its depreciation period.

Fourth, unreceptivity to scientific and technical progress, and understatement of the value of science. Science is becoming the principal factor of economic growth in the

modern world. Land, labor and capital created success in the world in the 19th century and in the first half of the 20th. Since the time of the Green Revolution science has been added to these factors, but our society did not realize this in time.

The fate of Soviet agrarian science has been just as tragic as the fate of the peasantry. In the 1920s-1930s we occupied the leading position in the world in many directions of agricultural research. But the purge of N. I. Vavilov, A. V. Chayanov, N. D. Kondratyev and thousands of other honorable scientists, prohibition of the freedom of speech, thought and creativity, followed by persecution of dissidence, low pay for mental labor, rejection of the cultural legacy of the past and an iron curtain policy in foreign relations all brought Soviet science into an impoverished state.

Bureaucratization of the creative process, alienation of researchers from the results of their scientific enquiry and wage leveling became an evil that eroded agrarian science and transformed it into a poor and dependent servant of the administrative system. Some may say that all of this is now in the past. But the consequences persisted long into the future. Even now the country lacks a state service that could assimilate scientific accomplishments and disseminate agricultural knowledge. All of this cannot but have a most deleterious effect on the effectiveness of the APK.

Conceptual Objectives of the Development of the Countrywide and Regional APK

We need a new conception of the development of the country's APK. A conception capable of envisioning the directions of development of the APK in their integral form, revealing its priorities, and ensuring comprehensive regulation of agroindustrial production at the state level. We need to put an end to the firmly established practice of dealing with partial problems taken out of the context of the whole, declaring them to be the alpha and the omega of our movement, and ultimately freezing our investments and marching in place.

We need such a conception also as a reference point from which to develop science itself. Being the fruit of collective thought, an expert assessment of work done and a forecast for the future, it will help us determine the directions of scientific enquiry and the work plans of VASKhNIL.

Among the studies that have been conducted in this direction by VASKhNIL institutes, mention should be made of several developments completed in recent years by the All-Union Scientific Research Institute of Agricultural Economics and collaborating institutes. First of all there is the Comprehensive Program of Scientific and Technical Progress in the Period to the Year 2010 (the "Agroindustrial Complex" section); the Comprehensive Prediction of Development of the Country's Agriculture and APK in 1991-2015; proposals for the Comprehensive Program of Qualitative Improvement of Food Supply to the USSR Population in 1991-2000, prepared jointly with the USSR Academy of Medical Sciences; the Forecast of

the Development and Distribution of Grain Farming and Its Resource Support Among Union Republics and Economic Regions in the Period to the Year 2005.

In 1987 a VASKhNIL session held in Volgograd examined the scientific principles of development of agricultural production in the country's arid regions, and in June 1988 it examined a scientific conception of the development of the agroindustrial complex of the Nonchernozem. Ten regional conceptions prepared by VASKhNIL's subdivisions have been submitted to the academy, and they have been subjected to scientific expert assessment. The conceptions for the development of the APK's of Belorussia, Kazakhstan, the Far East and Siberia were examined by the VASKhNIL Presidium.

Proposals concerning specific problems have been submitted by 29 institutes and a number of scientists.

Thus the conception for development of the country's APK in the near and distant future is absorbing concrete socioeconomic, scientific and technical developments completed within the VASKhNIL system. But this does not mean that the final word has been said. All of the valuable proposals need to be studied and adopted.

Selection of Priorities

And so, we are faced by the need for radical measures to develop the agrarian sector. Everyone understands this, but there is no unanimity of opinion in the society as to what path to take and what priorities to select. This might be all right now, but not for long. A collision between points of view is a normal democratic procedure which under certain conditions ultimately leads to the correct choice. All that is important is that each side operates with facts and scientific data. But we cannot transform into a permanent debating club.

Two conceptual approaches to agrarian transformations recently revealed themselves. The first is based on the idea that economic relations in the APK, the independence of the farms, the planning and administrative system and the financial and credit mechanisms are acceptable and sufficient enough to solve the food problem and to accelerate socioeconomic progress in the countryside. The main thing that is lacking is executive discipline, capital investments and material and technical resources. Raise the power-to-worker ratio, they tell us, improve social services in the countryside and strengthen discipline, and the country will not have to experience food difficulties. This can be arbitrarily referred to as the technocratic approach, in the good sense of the word, inasmuch as it devotes attention mainly to the agrarian sector's productive forces; however, it concerns itself almost not at all with production relations.

The second point of view is based on the need for immediate and ultraradical rebuilding of production relations. Distribute the land to the peasants, permit its purchase and sale, and convert to a market economy, and the country will be fed and all problems will be alleviated.

VASKhNIL's Position

From our point of view, the truth is somewhere in between, as always. We need all-encompassing agrarian reform embracing both the development of productive forces and improvement of production relations. And the main attention should be devoted precisely to production relations, since saturation of resources will not produce the anticipated impact on its own, even if there is an acute need for these resources. They must be managed competently. And this is impossible with the old methods of managing the land.

The principal paths out of stagnation and the agrarian crisis are as follows:

- successive implementation of land reforms;
- support of new forms of management;
- all-out democratization of the evolved forms—kolkhozes and sovkhozes;
- creation of a market and modern services, to be provided with adequate resources;
- optimization of structural policy;
- introduction of ecologically safe production operations and resource conservation;
- amplification of the social role of science and its influence on production.

Working in Stages, Reconciling Immediate and Distant Goals

The conception is directed at reaching the objectives facing the agroindustrial complex in stages. In particular, according to data of the Nutrition Institute of the USSR Academy of Medical Sciences, daily consumption of food and energy per capita in the USSR should undergo the following changes (Figure 4).

In the first stage (1990-1992) we need to concentrate efforts and resources, which naturally should be directed at *maximally reducing losses of agricultural products*, primarily grain, milk, potatoes, fruits and vegetables, and by doing so, significantly increasing the marketable yield while keeping growth of gross production relatively low. In order to understand the significance of this direction, recall that we import 10 billion rubles' worth of foodstuffs, while according to the most approximate calculations our losses of the food we grow exceed 50 billion rubles. During this period it would seem possible to relieve pressure in the supply of potatoes and all of the basic vegetables to the population in all places, and to improve the supply of bakery articles and of dairy and other forms of foodstuffs, in a wide assortment.

All levers and economic methods determined by new legislation and new, progressive forms of management

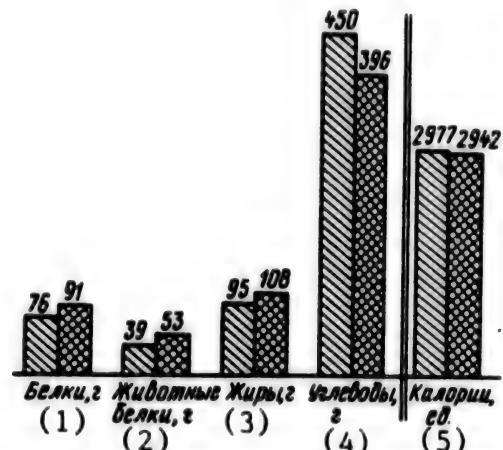


Figure 4. Average Per-Capita Daily Consumption of Food and Energy by the USSR Population (left column—1988, right—2005)

Key:

1. Proteins, gm
2. Animal proteins, gm
3. Fats, gm
4. Carbohydrates, gm
5. Calories, units

that have arisen in the course of perestroika need to be placed into motion in this first stage. This means that the market mechanism should be activated in the APK even before the currently existing and growing shortage of resources and goods is eliminated. This approach is confirmed by our own NEP experience and by world experience.

In the second stage (1993-1995), we need to completely satisfy the population's demand for dairy products and raise the level of consumption of meat and meat products—poultry especially, and vegetable oil, all on the basis of growth of production, reinforcement of the material and equipment base, development of progressive forms of management and of marketing and procuring activities, and reform of purchase, wholesale and retail prices and of the financial and credit system (Figure 5).

And finally, in the third stage we need to completely satisfy the solvent demand for all foodstuffs, and create a base for production of a wide assortment of biologically complete foods that satisfy the demand of different social groups of the population and ethnic dietary needs.

Obviously in different regions of the country enjoying different conditions at the beginning, these stages may occur sooner or fall somewhat behind the general conception. However, the food supply conditions will be equalized through interregional commodity exchange.

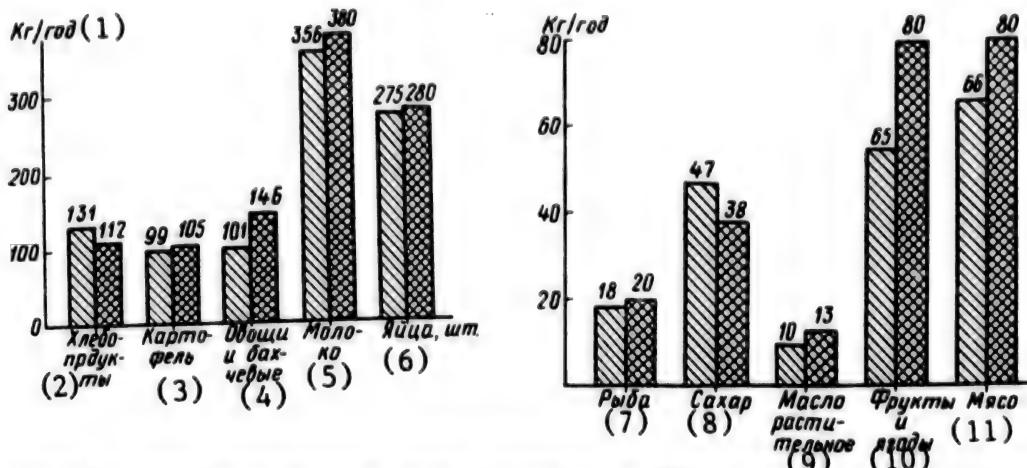


Figure 5. Average Per-Capita Consumption of the Principal Foodstuffs in the USSR, kg/person (left columns—1988, right—2005)

Key:

1. kg/year
2. Grain products
3. Potatoes
4. Vegetables and melon crops
5. Milk
6. Eggs, each

7. Fish
8. Sugar
9. Vegetable oil
10. Fruits and berries
11. Meat

One of the Priorities—A Regulated APK Market

The core problem of renewal of the APK is *creation of an effective economic mechanism*. The reform of economic relations may assume several variants. Transition to a market economy while maintaining state regulation of the most important economic parameters appears the most preferable. The suggestion is to drastically expand the economic independence of enterprises of all forms, and to provide a broad avenue to initiative and resourcefulness. The recently adopted laws on leasing, on land and on property ownership in the USSR are aimed at precisely this. We will need a major effort to create a regulated market in the APK and to fundamentally transform planning, pricing, and the financial, credit and tax systems.

Planning. The Financial and Credit System. Pricing in the APK

Direct contract ties and the principle of horizontal planning must be developed at the enterprise level. Plans at each level of administration should be formed on the basis of proposals from the farms and their associations, unions and other agroindustrial formations. At state level the program approach and retention of indicators characterizing primarily the economic levers of control—prices, taxes, subsidies and credit terms—will prevail. Centralized planning acquires the nature of economic, target program, strategic and indicative (based on recommendations) regulation.

As the output of material resources increases, cost accounting develops and the pricing system is put in

order, the list of centrally distributed products will shorten and the volume of their free sale will increase.

Pricing policy will experience significant changes. Purchase prices on products delivered to the all-union fund will be set centrally. The union republics should receive the right to determine the procedure for setting prices on products used to satisfy needs within the republic. The system of contract prices on the entire list and volume of products sold above and beyond state orders accepted by the farms will develop. Auctions, fairs and exchanges, including grain exchanges, will come into wide use for these purposes. They are encountered throughout the entire world, and our country has had experience with them as well.

The new pricing system in the APK must guarantee equivalency of exchange between agriculture and industry. For this, we need to update purchase prices annually with regard for changes in prices on industrial implements of production and on services for agriculture.

We are faced by the task of fundamentally reforming the banking system. The agroindustrial bank should not be an appendage of Gosbank. There is an acute need for developing a network of commercial banks. Founding the Peasants' Bank is on the agenda.

On the whole, the state's financing and credit policy is called upon to create the most favorable conditions for agroindustrial production, and to serve as a stimulus for its economic improvement and dynamic growth. First of all we need to repeal existing statutes and instructions

that contradict the conceptions of the economic reform, and primarily those concerning disposal of an enterprise's own financial resources. This pertains to the standards for distributing cost-accounting income, withdrawing assets to form centralized funds, and determining the kind of accounts maintained in state and other banks. It would be suitable to limit bank control only to the use of assets allocated from the budget to finance specific measures.

Antimonopoly Policy

The *fight against monopoly* in our economy must become the most important direction of the reform of economic relations. Surmounting the dictatorship of the suppliers of implements of production and the procurers, and creating real possibilities for choosing partners and for developing competition among producers and their fight for the consumer—such are the goals which we have to achieve if we ever want to rectify the situation.

Land Reform. Stages of Implementation

Reform of land relations is an inherent part of agrarian economic reform. Denationalization and development of a diversity of forms of land management, among which the peasant is free to choose, is the essence of such transformations. Payment for land use, possession of land by citizens by inheritance, and permanent ownership for agricultural and forestry enterprises are being introduced. All landowners possess the right to manage their land independently and to possess the products they produce. Only the soviets of people's deputies can dispose of land. Ecological requirements on land use and the legal guarantees of landowners, land users and leaseholders are becoming more demanding.

The land reform includes drawing up legislation at the republic and union levels and implementing organizational and economic measures. The reform may be carried out in three stages.

Organization of and economic support to measures concerned with allocating land to new peasant and cooperative farms is required in the *first stage*.

In the *second stage* the objective is to draw up and implement a number of programs that would ensure control over the condition of land and permit removal of some part of the highly eroded land from use in order to allow efforts to restore fertility. Drafting of these programs may be started as early as this year, and completed in 1992.

In this period we also need to develop and introduce hectare-based land tax rates and rent limits into the legislation of the union and autonomous republics.

In the *third stage* we need to assimilate a new type of state regulation of agriculture, one based on economic and organizational independence of producers, on indicative planning of production and product sales, and on

full utilization of market relations. This foresees establishment of economic, political and legal forms of support to agriculture on the part of the state. Reform of the courts is also one of the directions of legal reform.

Kolkhozes and Sovkhozes of a New Content. The Countenance of Peasant Farms

The future of our agrarian sector lies in a system of competing, interacting and mutually supplementary forms of large, medium and small size. Diversity of farm size will go hand in hand with diversity of forms of management. State enterprises will apparently be large commodity farms primarily. They will acquire deep specialization. The numerous breeding, seed and experimental farms, poultry factories and meat and dairy complexes will also stay as state enterprises.

Kolkhozes will enjoy greater possibilities for their development. The proportion of farms widely utilizing leasing relations will begin to increase among them. Kolkhozes taking the form of associations of cooperatives will become widespread. And finally, oppression of kolkhozes from above, which now assumes economic form, must be done away with, and their internal structure must be made democratic.

Peasant farms, which have already been provided the legal basis for their development, will grow larger. They will begin cooperating to sell products and organize services both between each other and with state and collective farms.

Various associations, agricultural combines, associations and consortiums will begin their activities. Reform of economic relations will create favorable conditions for their effective work.

Every form of management and property ownership will assume its own, if I may, economic niche. And I am certain that the time has come to stop the useless arguing about the advantages of particular forms of management. We need to trust the peasant, he needs freedom of choice, and the practice of dictating from whatever level must be curtailed. And science must offer an objective assessment of each form and provide scientific support to it without yielding to the emotions of the moment. The country's population supports diversity of the forms of management. This is evident from the results of sociological and expert surveys conducted during the drafting of the Law on Land. When asked what kinds of farms are best capable of ensuring fulfillment of the food program, 21 percent of the respondents said kolkhozes, 17.5 percent said sovkhozes and other state enterprises, 14 said new agricultural cooperatives, 22 said peasant farms, and 25 percent said private farms. As far as land rights are concerned, 32 percent favored lifetime inheritable ownership, 11 percent were for leasing, 16 percent would have preferred land possession based on use rights, and 33 percent favored possession based on ownership rights.

Peculiarities of the Modern Peasant Movement

Reform cannot develop in agroindustrial production without overall democratization of the country's political life.

Creation of associations, unions and organizations uniting and representing the peasants has important significance to implementing legislation on ownership, on land and on leasing, and to protecting the interests of peasant farms.

And finally, we need to recognize that the peasantry is unique in that the peasant is a combination of worker, administrator, landowner and the owner of implements of production and produced products, characterized by a specific way of life, work rhythm and morality. The peasant is the basis of the life and well-being of every state.

Ignoring this inescapable fact and attempting to represent the peasantry as a dark, reactionary mass that was to disappear from the social arena as socialism developed was a gross political mistake of the past, one from which our country is suffering terribly even today. Much has been said and written about the union of the working class and the peasantry, while what we actually had was the planned extermination of the peasantry. The glaring gap between word and deed played a crucial role in the destiny of our country.

This has to be fixed in no uncertain terms, since otherwise there would be no avoiding disaster. And what we need is not confrontation but a real union of classes, with both workers and the intelligentsia, which was also slighted for decades. The peasantry needs to be protected.

Recently many comrades have been raising the matter of a peasant party. This would be logical and proper under the conditions of political pluralism. But let's think about it well, with regard for the entire set of our realities. Another approach we might take is to prepare the foundation for a modern agrarian policy, one which absorbs world experience and all of our own experience, and for a renewed Communist Party of the Soviet Union, of which most of us are members, and to simultaneously create a strong peasant union on the same platform. This platform could account for—besides our

own historical experience—the positive elements of the peasant organizations of foreign countries, green parties, Social-Democrats and other progressive forces.

This union could include peasants working in kolkhozes and sovkhozes, peasants engaged in private farming, scientists employed in agrarian science, and workers in APK services—all who share a common ideology and are interested in economic, social and political protection of the peasantry, in its rebirth and reinforcement, all who represent its interests in the soviets at all levels, all who stand a vigilant watch over equality in all things. Their role is to use all democratic, humane and constructive methods to equalize the standard of living of the peasantry and to ensure conscientious implementation of land reform and healthy development and improvement of the entire rural sphere. This in the interests of not only the peasantry but the whole society as well. Such a peasant union might encompass all hierarchical levels, starting from the bottom, at the grass-roots, village level, and extending to the country's center.

The Directions of Structural Changes

One of the main prerequisites for dynamic development of the agroindustrial complex is to make radical structural changes. The structure of the modern APK is extremely imbalanced, and it differs significantly from the structure found in developed foreign countries. One of its components is shown in Figure 6.

A clear orientation toward satisfying social needs, the greatest yield of products per unit of raw materials, resource conservation and improvement of the ecological situation can serve as the optimum criterion.

The most important directions are:

- establishing a balance in the development of agriculture and product storage, transportation and processing;
- effecting a transition from capital-intensive to resource-conserving procedures;
- optimizing the ratio of large, midsized and small production operations;
- deepening specialization of agriculture in correspondence with the natural and economic conditions of different regions;
- accelerating development of the social sphere.

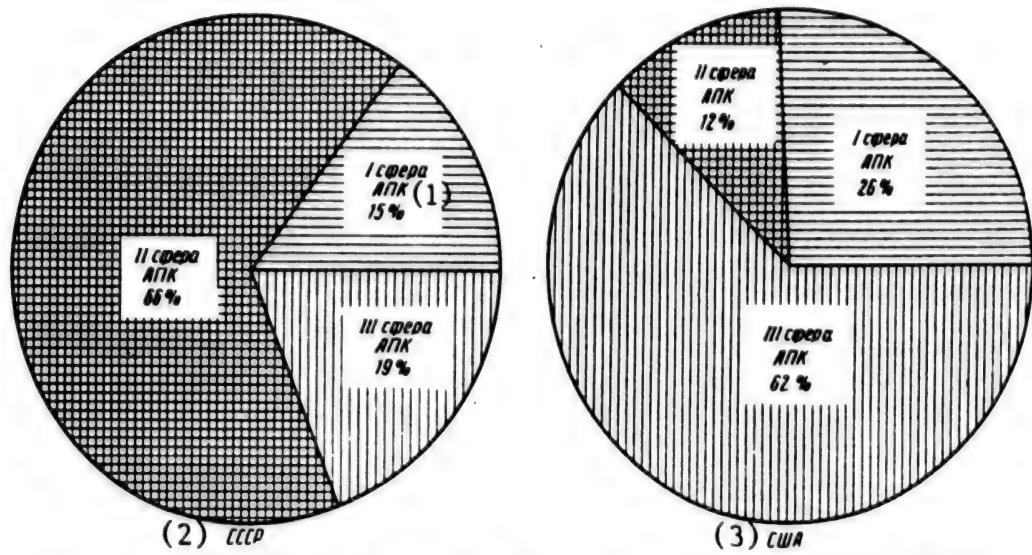


Figure 6. Structure of Labor Resources in the APK's of the USSR and the USA, Percent

Key:

1. APK sphere
2. USSR
3. USA

Regional Aspects of Structural Policy

The distribution and specialization of grain crops should proceed along the lines of developing zones of durum and strong wheat production in the southern Ukraine, in the Northern Caucasian, Volga, Ural and Western Siberian economic regions and in the Kazakh SSR. This approach will make it possible to completely satisfy our country's need for this product by as early as in the 13th Five-Year Plan.

In order to solve the protein problem, it would be suitable to dramatically increase planting of peavine and chick peas in southern regions, peas in the central belt and lupin in the northern pulse crop growing regions.

Production of seed corn must be increased by two or three times while somewhat reducing cultivation of all other grain crops in Moldavia, in the southern Ukraine, in the Northern Caucasus, in the Transcaucasus and in Central Asia. When it comes to the structure of the grain pie-chart as a whole, a sharp shift in the direction of forage and especially pulse crops is necessary.

A specialized sugar beet zone must be developed in the forest-steppe zone of the Ukraine and Moldavia and in the Northern Caucasian and Central Chernozem regions while concurrently rebuilding the processing plants.

Growth of production of sunflower, soy and linseed should be promoted in the traditional regions of their cultivation. New winter and spring rape growing zones need to be created in the Ukraine, in the Russian Nonchernozem and in Western Siberia.

Production and processing of thermophilic vegetables (tomatoes, peppers, eggplants, onions) need to be concentrated in the southern regions. Practically all regions should provide themselves with cold-resistant and green crops.

In livestock breeding we need to orient ourselves on developing meat animal farming in the steppe zones of the Volga, the Northern Caucasus, the Ukraine, Western and Eastern Siberia, Kazakhstan, the foothills of the Southern Urals, the Transcaucasus, Kirghizia and Tajikistan.

Priorities of the Processing Sectors

The distribution of processing sectors depends on zonal specialization of agriculture. Small and midsized enterprises, storage bases and plants processing raw materials at their places of production, and especially in remote rural areas with a primitive transportation network, should enjoy preferential development.

A modern food industry must be created in the country. New procedures for producing foodstuffs must be developed and assimilated and their assortment must be widened. With these ends in mind, we should consider the matter of shortening the time to complete the current program for reequipping the food sectors of industry; we need to establish tax benefits and increase budget financing of all enterprises and their associations which increase their capacities for storing and processing agricultural products, producing food commodities and selling them.

Investments

Significant changes must occur in investment policy in connection with improvement of the structure of the APK. The basic directions of this policy reduce to eliminating disproportions in social development, accelerating reequipment of production, introducing resource-conserving procedures, and decreasing unit outlays on construction of facilities.

Considering the situation as it is today, it would be a mistake in this stage to reduce allocation of financial and material resources to be invested into the development of the APK. Available data show that there are plans for significantly increasing investments into this sphere in developed capitalist countries in the late 20th and early 21st centuries. In such a case, our country's agroindustrial production may fall even farther behind the world level both in relation to quantitative and qualitative indicators and in relation to labor productivity.

The Social Sphere in the Countryside: Two Parts of the Program. Social Compensations

The conception includes an *extensive program of social renewal of the countryside*. It may be divided conditionally into two parts. The first will consist of measures to generally improve the living and working conditions of rural residents, and to decrease social differences between the city and the town, between different regions of the country, and between central and peripheral rural population centers. We need to significantly increase the aggregate income of rural families (the average per capita aggregate income of today's kolkhoz family is 79 percent of the same indicator for blue and white collar families); enlarge the volume of housing, cultural and personal service construction (an unfavorable tendency for the rate of introduction of housing, hospitals and preschool institutions to decrease has made itself known in recent years); improve social services.

All of this will require growth of nonproductive investments, improvement of control over social processes on the part of local soviets of people's deputies, enlargement of the capacities of rural construction organizations, development of cooperative and small forms of public services, and elimination of unjustified social privileges enjoyed by certain groups of people.

The second part of the social program should consist of special measures associated with implementing radical economic reform.

Development of market principles and cost accounting and creation of a diverse rural economy will lead to deeper differentiation of the income of the rural population, and to loss of some jobs in agriculture, especially in the country's southern regions. It would therefore be necessary to establish a mechanism of social compensations for low-income groups of rural residents, and primarily retired persons, to widen the assortment of jobs in the countryside, and to organize personnel retraining. We need to make an extensive effort to

resurrect rural crafts, forgotten or extinguished in the long years of Stalinist rule and in subsequent bad times.

Special attention needs to be devoted to the social infrastructure of peasant farms. According to tentative estimates not less than 100,000-110,000 fully equipped homesteads need to be built for future farmers just in Russia's Nonchernozem Zone. Without housing, we will not be able to have the independent peasant farm that we need so much.

Programs for Rebirth of Depopulated Rural Areas

A system of measures directed at the *rebirth of rural areas suffering unfavorable conditions* should become an important component of the conception. Identifying these areas and developing a special program for them is important in light of the fact that a vast and continually increasing area of our country's farmlands is in a state of degradation and depopulation. This pertains primarily to mountain regions, the North and the Nonchernozem. In dozens of oblasts of Russia, and even in its center, where our state was born, where an intellectual and cultural potential unique to the world was concentrated, mortality currently exceeds the birth rate. Many of these regions are threatened by depopulation, coupled with irreversible ecological and social consequences, unless steps are taken for their rebirth and recovery. The longer we wait to do this, the more money and effort it will take in the future.

It would be pertinent to cite the world experience, including that of developed Western and Eastern European countries, of identifying such regions with unfavorable natural conditions and of establishing especially favorable conditions for them on the basis of programs that provide advantageous economic terms and call for respecializing and stimulating production and implementing additional social measures that would make life for people living here easier.

It is important to determine the criteria by which certain regions are to be classified as being unfavorable.

Programs for the rebirth of such regions must be comprehensive, and they should include measures pertaining not only to agriculture and forestry but also to developing rural crafts, transportation ties, rural tourism and recreation, to improving population settlements, to protecting the environment and to preserving and improving the natural landscape.

Ecological Problems of the APK

Our country's ecological woes are assuming increasingly greater proportions with every year and even with every day. Considerable blame for this is borne by workers in the agrarian sphere. This is why all production must be made ecologically safe. In this connection we need to pursue the double objective of ensuring high productivity of agricultural ecosystems while keeping the ecological balance intact. This objective can be reached

through so-called *organic farming and maximum adaptation to natural conditions, even at the level of the meso- and microrelief of agricultural systems.*

The principal role should be played by *biological factors*, the effectiveness of which will grow as the *biotechnological revolution* develops and as *soil-protecting procedures, contour farming and land improvement* are introduced. Such as system of land improvement and contour farming can stop erosion, preserve the soil and save water. Its high economic and ecological effectiveness has been demonstrated for example by the experience of the Zapovit Ilicha Kolkhoz, Kiev Oblast (see table), not to mention the numerous works of the Ukrainian Scientific Research Institute of Farming, the Scientific Research Institute imeni V. V. Dokuchayev and other collectives.

Effectiveness of Contour Farming and Land Improvement in the Zapovit Ilicha Kolkhoz, Kiev Oblast

Before introduction	1981-1985	Full Introduction, 1989
Yield of grain crops, c/ha	29.4	48.1
Yield of sugar beets, c/ha	341.0	485.0
Grain yield per 100 ha of farmland, tons	132.0	228.0
Milk production per 100 ha of agricultural land, centners	107.9	968.0
Meat production per 100 ha of agricultural land, centners	81.6	328.0

Important ecological functions are performed by *integrated methods of protecting plants and animals from pests and diseases, by the use of organic fertilizers, renewable energy resources and soil-sparing agricultural procedures, and by agricultural and forest land improvement.*

We currently possess 5 million hectares of timber plantations, but we need 18 million hectares. China and the USA have undertaken aggressive efforts to develop agricultural and forest land improvement. Our country is the birthplace of agricultural and forest land improvement science, but we have neglected this area, which is something we need to quickly rectify. Only through agricultural and forest land improvement will we be able to halt the encroachment of sand in the Kalmyk ASSR and the hourly growth of deserts in the European part of the country. Much experience has been accumulated, and it must be implemented in organized fashion. There is no need to bring up the necessity of other forms of land improvement, including water management. Everyone knows this. However, in every instance land improvement must be socially justified, ecologically clean and economically beneficial.

Acute ecological problems also face livestock breeding, especially at large fattening enterprises. The wastes of

animal farms already exceed 1 billion tons per year. New procedures for recycling them and deconcentration of the sector are necessary.

The time has come to create a *mechanism to stimulate development of ecologically safe agriculture*, which would include offering assets from the state budget, advantageous loans and reduced tax rates to enterprises and peasants producing ecologically clean products. And the prices on such products should be higher than usual as well.

Industrial sectors of the APK have become dangerous sources of environmental pollution. I am referring to the releases of liquid wastes into rivers and lakes by processing industry enterprises, to pollution of the air by vehicle and boiler exhausts, and to growth of the wastes of food sectors. The volume of contaminated discharges by industrial enterprises of the former USSR State Agroindustrial Committee was around 0.3 km³ per year in 1988; 1.3 million tons of toxic wastes were released into the atmosphere without treatment. These grave problems can be solved only by introducing wasteless and low-waste production procedures and increasing the capacities of waste treatment equipment.

Scientific and Technical Progress: Practical Receptiveness to It, Ecological Predictions, Priorities

Scientific and technical progress must go hand in hand with radical economic reform. These are two sides of the same coin. Economic reform without progress in science and technology will not produce substantial results. The economy is becoming increasingly more science- and technology-intensive. That is one side. On the other side, retention of the existing economic mechanism dooms agriculture and other sectors of the APK to being un receptive to scientific and technical innovations, and this circumstance puts us farther behind each year and increases the gap with developed countries.

The weak material and equipment base of the farms, prevalence of manual labor and archaic procedures, a barbaric attitude toward resources and land and low product quality are all the fruits of understatement of science and of scientific and technical progress, and of the command system of administration. We have already fallen 20-30 years behind the leading countries of Europe and America.

To develop the strategy and tactics of the scientific and technical revolution, we need to account for social and ecological consequences. Current and future scientific and technical accomplishments that make it possible to effectively utilize resources, to fully recycle useful components of raw materials, and to expand low-waste and wasteless production procedures, biological resources and methods should not disturb the ecological balance and worsen human living conditions.

When we determine the directions of scientific and technical progress we cannot ignore global changes either, and primarily climatic changes on our planet. We

need to be prepared for global warming of the climate, which is possible and which has actually started. In this case the role of zones of sufficient moisture will rise dramatically. Our science is beginning to accumulate some experience in this area. It would be pertinent to recall the major work by V. M. Pasetkiy and Ye. P. Borisenkov "Tysyacheletnyaya letopis neobychaynykh yavleniy prirody" [Thousand-Year Chronicle of Unusual Natural Phenomena]. Original methods of long-range weather forecasting making it possible to predict droughts 5 years hence was proposed by M. I. Rozanov's group at VASKhNIL's Cybernetics Institute. These forecasts made it possible to obtain 5-6 more centners of grain from each hectare last year in Siberia from an area of over 50,000 hectares. Acquisition of this very valuable experience was made possible by A. A. Konev.

Certain priority directions of scientific and technical progress have always been important, but given the tightening limits on financial and material resources, they are especially necessary today. It is impossible to be first in all directions of scientific enquiry. That's first. Second, we can't be just catching up to others—we need to ensure that we keep the lead in areas of science in which we are strong. This is why we need to include ourselves in active international cooperation, and assimilate results already obtained by world science. Rather than slavishly copying others, we need to consider our own objective conditions in their entirety. Recall how caustically A. S. Yermolov derided a certain Saratov landowner at the end of the past century when the latter visited Europe and decided to switch to intensive fruit crop rotation at home, on the Volga steppes. He went bankrupt.

It is from these positions that we need to analyze the priorities of scientific enquiry. The priority directions in our conception are:

- *biotechnology*, with emphasis on the problems of nitrogen fixation and accelerated creation of highly productive varieties of agricultural crops and breeds of animals adapted to intensive procedures and providing a high return on expenditures, on the basis of genetic engineering;
- creation of *new types of foodstuffs* by combining biotechnological and chemical processes of utilizing all fractions of raw materials and synthesizing nutrients;
- *automation and computerization of production*, and primarily, development and introduction of information processes into biotechnology and into the programming of yields and animal productivity, an integrated plant protection system, aerospace natural resource monitoring and control technology, and high precision food technology;
- *introduction of safe ecological production operations and protection of the environment*, including prevention of erosion, minimization of soil working operations, creation of a system of nature conservation measures, and production of wholesome and harmless food;

- *intensive agricultural procedures;*
- *low-waste and wasteless food processing, transport, storage and sales procedures.*

In the immediate future we can anticipate the greatest impact from intensive procedures, from integrated plant protection systems and from production of new foodstuffs. Calculations and the accumulated experience show that intensive farming procedures can raise the stability of production of agricultural crops by a factor of 2.5-3, and labor productivity by a factor of 1.5-2.

Transition to intensive procedures in livestock breeding can dramatically raise the milk yield and produce a significant increase in the productivity of farm animals undergoing fattening within a short period of time.

In the more remote future, beyond the year 2000, we can expect progress in creating new biological objects with predetermined properties, and production of ecologically clean food on the basis of prudent production procedures. Accelerated growth of the productivity of meat and dairy cattle will be achieved through the wide use of embryo transplantation, transplantation of the nuclei of somatic cells, and genetic engineering, which will double or triple the rate of selection of new breeds.

We need to create new foodstuffs and simultaneously close the gap in food storage, transport and processing. We have practically no modern domestically-produced equipment for food industry. Conversion of defense enterprises might have helped, but it is not going smoothly. The assortment of products is extremely meager. We need to create food processing procedures that make maximum use of plant and animal raw materials based on membrane and extrusion technology, high frequency and vacuum currents, sublimation and re-esterification, and other new methods.

In the immediate future we need to begin producing liquid sugar-containing products (glucose-fructose and inverted syrup), made from starch-containing material, and liquid sugar as alternatives to sugar. Some effort is already being made to grow such raw materials. We need to expand production of additives and improvers—modified starch, pectin, dietary surfactants, vitamins, fragrances, dyes. We need to expand our extremely meager assortment of foodstuffs faster.

By as early as 1995, introduction of low-waste and wasteless procedures will permit production of foodstuffs out of 60 percent of the byproducts of dairy industry and 80 percent of the byproducts of meat industry. Thus these procedures are acquiring strategic significance in regard to further utilization of the already existing raw material potential.

Fundamental transformations are needed in transportation of agricultural raw materials and finished products. This includes introducing specialized transportation, and transporting products in packaging, in general-purpose containers and in process-ready packaging. This will reduce losses of potatoes, fruits and vegetables by a

factor of 1.5-2, of dressed meat by 0.8-1.0 million tons, and of milk by 7-8 million tons.

Tasks of no lesser scale are to be carried out in *automation, mechanization and computerization*.

The Future of Science, Structural and Investment Reorientation, Stimuli for Development

Agrarian science faces extremely difficult goals both today and in the future. They can't be reached by a frontal cavalry charge. We can't do without preferential development of fundamental and exploratory research. But to be frank, they are now in a bad way. Clear evidence of this can be found in the outlays on agricultural science in the USSR. Our country spends around 88 percent of its assets on applied, generally minor developments, and only 4 percent on fundamental research. This is the result of short-sighted planning and financing practices. It is a dead end both for science and for production. What is the solution?

First, we need to focus effort and resources on major comprehensive problems so as to ensure a breakthrough, and abandon the less-promising, fragmentary developments.

Second, we must put an end to monopolism in science. This ulcer upon its body has not yet been cured, it has caused us a great deal of trouble, and apparently it will continue to do so.

Third, we need to persistently introduce methods of controlling scientific and technical progress based on target programs. Some effort is already being made in this direction. But the state scientific and technical program to create highly effective food production processes does not embrace the entire spectrum of our problems. The writing of scientific and technical programs pertaining to all other areas has been left to its own devices for practical purposes, and cast into oblivion. We need to rectify this situation as quickly as possible.

Social and economic problems have become especially acute in the agrarian sphere owing to the changes that have occurred in society. The VASKhNIL Presidium adopted a decision creating the Institute of Agrarian Problems and Agrarian Policy within the academy. We had such an institute before—it was organized in the 1920s and headed by A. V. Chayanov, and it was closed by Stalin. We will reopen this institute in order to solve modern problems which have risen before us to their full height.

Fourth, we need to ensure real stimulation of scientific and technical progress, and not just on paper. This can include tax benefits and advantageous credit terms, and specific subsidies paid for assimilation of the accomplishments of science and technology, for soil erosion control work and for introduction of contour and landscape farming, subsidies for agricultural and forest land improvement, and reduction of payments into the

budget equal to the amount enterprises spend on research and introduction of scientific proposals. Repeal of payments for funds and labor resources by scientific research institutions, discounts on the prices of instruments and equipment, and establishment of prices on scientific and technical developments depending on the actual profit enjoyed in production can play a large role in this.

In order to stimulate selection and increase its return, we need to switch to a system of paying directly for such work. This can be achieved by deducting a certain part of the profit of seed farms from selling high-grade seeds and transferring this amount to the creators of these varieties. The same should also be done in livestock breeding, where direct stimulation of efforts to create new lines, crosses and breeds should be introduced. On the other hand, in order to raise the economic responsibility of breeding institutions for the high quality of the varieties they provide for testing, a system of paid variety testing should be introduced.

Economics of the Organization of Independent Science. Ties With Production. Cooperation With Science Abroad

Stimulation of scientific and technical progress is most intimately associated with the economic mechanism on the basis of which scientific institutions function. Cost-accounting relations were extended to science and all of the reasonable and unreasonable provisions of the Law on the State Enterprise were mechanically transferred to it in 1987.

We all know how this affected fundamental research. Resolution of all these issues has become a unique litmus test of our relationship to science. If material and financial support to science continues in the old way, we will be unable to count on a quick increase of its return. Therefore we need to significantly increase financing of fundamental research—by approximately 2.5 times.

Concurrently there are plans for successively restructuring the organization and administration of agrarian science. The independence and responsibility of scientific collectives and of VASKhNIL as a whole are growing. The academy is no longer an appendage of the administrative apparatus. The predictive and analytical functions of its scientific institutions are growing. Determining the priority directions for development of science in the APK, financing fundamental and applied research, and creating and implementing scientific and technical programs at various levels are far from a complete list of our academy's functions. It stands to reason that it is not easy to create new functions. Old viewpoints and the old way of thinking of many workers are having their effect. It has long been known that science is incapable of following commands.

Improvement of organizational structures aimed at strengthening the ties between science and production will continue. Scientific-production associations and production and scientific-production systems have

become widespread. Educational-scientific complexes and scientific-technical centers are getting the green light. Life graphically demonstrates the benefit from a diversity of organizational forms of science. We need to make it a wide practice of establishing individual creative collectives for which the official number of scientists and technicians and financing volume are established on the basis of direct business contracts. World practice shows that the return on current outlays in such collectives is four to five times higher than in large scientific organizations. Private and inter-institute collectives are already beginning to appear. But even here, certain institute directors are holding onto the old ways. This inertia must be broken down.

The accelerating rate of scientific and technical progress makes fundamental restructuring of our foreign scientific ties a fundamental necessity. This cannot be understated.

First, Soviet science needs to be deeply internationalized—the sphere of scientific cooperation has to be significantly widened, and it must be made open to all countries possessing experience in which our scientific institutions are interested, and to all countries in which foreign scientists show an interest. Participation of agrarian scientists in international seminars and symposiums should be activated, and regular mutual information exchange on the latest scientific accomplishments must be organized.

Second, it would be suitable to go over to predominantly bilateral scientific ties in the most important directions by creating joint scientific collectives and scientific-production associations operating on the principles of exchange not based on hard currency, of proportionate investments and of joint possession of income obtained from selling a scientific product. A meeting of the leaders of agrarian science from Eastern European countries,

held in late January 1990 in the Moscow suburbs, revealed a high interest only in bilateral cooperation. We are also creating ties on a bilateral basis with scientific institutions in the USA, the Netherlands, China and other countries.

Third, it is important to determine the interests of Soviet agrarian science in the immediate, near and long-range future.

Food processing and storage, biotechnology, genetic and cell engineering, resource conservation, economic issues and information science can be included among the most urgent problems of the first stage.

Fourth, we should expand training of university students, graduate students and scientific associates in the best foreign scientific and educational centers on a long- and short-term basis, and acceptance of foreign scientists into our scientific research institutions.

The leading foreign scientists, and primarily foreign members of VASKhNIL, should be encouraged to participate in APK development projects and in expert examination, and scientists of our country should be offered the possibility for doing similar work abroad.

All of this will hasten inclusion of world experience in the solution of our immediate problems.

The country has embarked upon a new stage of perestroika. The Third Congress of USSR People's Deputies, the transition to presidential administration, and the USSR Supreme Soviet's adoption of major, fundamental laws, primarily the Law on Land, have become a watershed. The time of explanations and debates has passed. What we need now is bold, organizational, purposeful, creative work. Work in all units and at all levels. Many things will have to be done in a new way, in areas devoid of well-traveled roads.

POLICY, ORGANIZATION

UDC 69.003:65.014

Organization of State Construction Concerns Discussed914C0002A Moscow *EKONOMIKA STROITELSTVA* in Russian No 9, 1990 pp 33-40

[Article by V. F. Mokhovikov, First Deputy Chairman for Administration of the Vodstroy State Concern: "The State Concern Is a New Element in the Economic Mechanism"]

[Text] In recent years the organizational structure of the Vodkhozyaystvennoye Stroitelstvo [Water Management Construction] branch has undergone fundamental changes. A master control plan was worked out and introduced which enabled conversion basically to a two-tier system, elimination of duplication and parallelism, reductions in the number of weak enterprises and amounts of administrative-staff expenditures, and the formation of specialized construction, construction-design, and science-and-production associations.

Under the new circumstances, when the economic independence of enterprises is being expanded, economic-accountability relationships are being introduced, control is being democratized, and conversion to the market is being planned, further transformations in the branch are necessary.

In accordance with the recommendations of the working collectives of the associations, organizations and enterprises of the former USSR Minvodstroy [Ministry of Water Resources] system, a voluntary and democratic association—the State Concern for Water-Management Construction [Vodstroy]—has been formed. The concern will operate under full economic accountability. The use of various forms of ownership will find application here.

The concern's existing productive potential will be directed primarily toward solving social problems, life sustenance of the rural populace, and the conduct of nature-conservation measures. Already this year it has been able to start operating actively in carrying out the rural social-restructuring program: in the construction of rural water supply, roads, and facilities for bringing gas to rural households.

At the same time, in order to solve major strategic problems of water-management construction of All-Union and interrepublic significance, execute state programs for the ecology, develop the APK [agroindustrial complex], and eliminate the effects of natural disasters in the case of extraordinary situations, such as earthquakes in Armenia and Tajikistan and the accident at the Chernobyl AES, the branch's existing system for construction, science-and-production, and industrial enterprises should, in our opinion, be retained.

This system includes major construction subunits, it has a highly developed construction-support industry, and it is capable of doing various kinds of construction work with little organizational change.

The availability of great productive capacity, a developed infrastructure, outfitting organizations, and scientific and design support will enable strategic problems of water-management construction of All-Union and interrepublic importance to be solved.

Specialized construction and design organizations are doing 3 billion rubles' worth of contracting work. More than 400 million rubles of centralized capital investment are aimed at financing the production-operations base and the social sphere of construction organizations, and the ceiling on state capital investment for funds for developing enterprises and organizations is about 1.2 billion rubles.

The introduction of 703,000 m² of total living space in apartment houses, general-education schools for 7,700 pupils, preschooler institutions for 5,000 children, clubs and recreation buildings for 3,000 persons, as well as hospitals and polyclinics, 314 km of water mains in the countryside, and 495 km of water-distribution network has been planned for 1990. Under agreements with other clients, it is proposed to build and turn over for operation 800 km of hard-topped highways in the RSFSR's Nonchernozem Zone, to put 5,500 hectares of irrigated land and 6,400 hectares of drained land into operation, to rebuild comprehensively 12,500 hectares of irrigated land, to rebuild 3,500 hectares of drained land, and to do a large amount of contracting work in earthquake-prone regions of Armenia and in regions of Belorussia that were victims of the Chernobylskaya AES accident.

Work in the Aral Sea area is a subject of special attention. In 1990 alone, more than 300 million rubles of centralized capital investment, 280 million of which are for construction and installing work, should be aimed at a large complex of first-priority measures.

The concern's organizations are producing consumer goods and rendering services worth more than 135 million rubles.

Our construction-industry base can support the output of 3.8 million m³ of reinforced-concrete articles, including 700,000 m³ for large-panel housing construction and more than 100,000 m³ of reinforced-concrete pipe of various diameters, 600,000 tons of steel pipe, and 55,000 tons of polymer items.

The effective utilization of the productive potential that has been created is closely interrelated with the new management forms. A search for new forms for managing the branch does not mean that the word "land reclamation" should be consigned to oblivion, for a final goal is to support highly effective agricultural production on reclaimed lands.

Based upon the designation of land reclamation as a Vodstroy Concern function, the following should be retained: water-management construction, the rebuilding of existing reclamation systems and water-collecting and draining networks, and improvement of the salt-water state of soils and increase in their fertility.

On 1 April 1990, 48 organizations and enterprises were operating on a hired basis. Thirteen of these hired enterprises were organized on the basis of construction and installing trusts.

In 1989 for-hire enterprises did 256 million rubles' worth of contract work, or about 10 percent of all contracting work. In so doing, many of them overfulfilled 1.5-fold or more their tasks for introducing capacity; the level of profitability and output per worker here greatly exceeded the average level for SSO's [specialized construction associations] and PSO's [construction-design associations]. Such an economic effect on production activity of for-hire enterprises can be explained primarily by the fact that their collectives get full freedom in matters of planning and wages, and the management of cost-accountable income is left to its discretion. Where there is a hired enterprise, collective ownership arises, the use of which gives the worker the right to obtain part of the profit (or income). For-hire enterprises, on leaving SSO's and PSO's, will induce the latter to construct production relationships with them, based upon the new principles. Similar relationships can arise with change of the existing production ties of SSO's and PSO's with the State Concern.

In forming the new production relationships, one cannot help but consider the development of cooperatives in the branch: 274 of them are now in operation, in 1989 they carried out 62 million rubles' worth of contracting work, and this year the operating volume can increase 2-fold to 3-fold. Relationships with cooperatives also require perfecting.

The State Concern, in accordance with the Statute on Ownership in the USSR, emerges as the proprietor of All-Union property and rents All-Union property to for-hire enterprises. Currently existing SSO's, PSO's, NPO's and individual enterprises can be for-hire enterprises of this type.

SSO's, PSO's and NPO's, which have been reorganized into enterprises for hire, accepting All-Union property under lease in accordance with an agreement with the Concern, transfers it under sublease to enterprises for hire.

The Concern can include joint enterprises based on the construction and installing trust, the PMK [mobile mechanized column], the kolkhoz, the sovkhoz, and fish-industry enterprises. The final output of such joint associations can be, in addition to finished construction output, consumer goods and agricultural output.

As leased All-Union property is reduced and collective ownership grows, the enterprise for hire will be enabled

to redeem the leased property that remains and, in accordance with a joint decision of the for-hire collective and the Concern, it is transformed into a joint stock company by the issuance of stock for the entire value of the property.

Up to this time, the Concern remains the possessor of a share of All-Union property within the enterprises for hire and the joint-stock companies.

Joint-stock companies will start to perform joint activity with the Concern on the basis of voluntary delegation of a portion of the functions of investment, financial, foreign-trade and other activity.

Right now an existing SSO, PSO and NPO may be converted into a joint-stock company. We think that it is desirable to get enterprises, organizations, state organs, kolkhozes and sovkhozes, as well as the workers of working collectives, motivated to produce output of the joint-stock company that has been created, a circumstance that would promote formation of a commodity market. The creation of such joint-stock companies would correspond to the formation of independent commodity producers according to the type of the Concern's activity. It is in general necessary to strive to act in accordance with the rule that the customer always dictates his conditions to the producer. It is necessary not to sell that which is being produced but to produce that which is being bought. In other words—by studying demand and the state of the market, an effective influence should be exerted on the formation and production of the necessary output and performance of the necessary operations and services through the marketing system.

Under these circumstances, the State Concern's functions should take shape from both the functions we are charged with in regard to problems of the effective use of All-Union property and the reproduction thereof and the realization of major schemes for reclamation and water-management construction, and from the functions voluntarily delegated from the field by state enterprises, enterprises for-hire, joint-stock companies, cooperatives, and so on. These functions of the State Concern can include:

—the forming of a market for contracting operations, support for the fulfillment of work on water-management and reclamation construction and on the agricultural water supply, the installation of facilities for gas utilization, and the construction of highways in rural localities, of nature-conservation and purification structures, and of facilities for the social sphere;

—increase in the fertility of reclaimed and agricultural land by rebuilding irrigated and drained land and the collection and drainage network and by the execution of work on the use of chemicals and on agricultural afforestation;

—the solution of ecological problems, elimination of the consequences of major accidents, natural disasters,

- and earthquakes, the construction of life sustenance facilities, and the restoration of facilities that are Union property;
- the scientific substantiation, design and construction of large hydraulic-engineering structures that regulate the perennial flow of the country's streams;
- the implementation of a unified scientific and engineering policy and organizational and methodological support of water-management construction organizations with scientific research and experimental design that are associated with the creation of new technologies for water-management construction, construction machinery, building materials and articles, and equipment and instruments for water-metering and automation;
- the creation of associations, joint enterprises, and companies for rebuilding reclaimed lands and making use of them, and the construction and joint utilization of enterprises of the processing and food industries in the country's agricultural regions;
- assistance in implementing USSR statutes about land and ownership by the construction of farmers' and peasants' farms and by the creation of joint enterprises and associations for the processing, preservation and sale of the output they produce;
- assistance in spread of the lease and of cooperative, joint-stock, and other forms of management, based on a combining of the various forms of ownership;
- substantiation of and presentation to the USSR Council of Ministers of recommendations and requirements for financial means allocated from the state budget for accomplishing strategic tasks of water-management construction of All-Union and interpublic significance, state programs for the ecology and the development of the APK, and elimination of the effects of natural disasters and extraordinary situations;
- the organization of marketing, analysis of the state of the market and the output of the concern, study of the customer's requirements in regard to specifications and the quality of the product and the level and dynamics of market prices, the provisioning of enterprises with the appropriate information, and assistance in sale of the Concern's output;
- development of the wholesale trade and assistance in the realization of funds for supply and equipment resources, for equipment and articles of the client's product mix and the outfitting thereof, organization at the Concern's enterprises of the production of building materials, constructional structure, articles, spare parts, small powered tools, and tooling that are in critically short supply;
- the coordination of deliveries within the branch, and the forming of the Concern's inventories for performing the branch's tasks;

- study of the status of the world market for the Concern's output, and the development of recommendations in the area of developing foreign economic ties and of drafts of long-range plans for economic, scientific and technical collaboration with foreign countries;
- the extension of organizational and methodological assistance to the Concern's enterprises in the execution of foreign economic activity; and
- execution of the function of the chief supplier of reclamation and water-management in the Soviet Union's extension of technical assistance to foreign countries.

In accordance with the main functions that have been set forth, the State Concern concludes with the Concern's participants an agreement on the bases for mutual organizational, control and management relationships.

The enterprises—the participants in the State Concern—should:

- perform production, economic and other activity in accordance with the Concern's tasks;
- make payments in decentralized fashion into the state budget in the procedure established by the USSR Ministry of Finances for state enterprises;
- deduct into centralized funds and the Concern's reserves funds from profit and amortization in accordance with the standards, and also pay off in the established procedure fees for the Concern's fulfillment of specific-purpose tasks;
- make payments to the Concern for services of an organizational or administrative nature in accordance with agreements;
- carry out plan tasks, the state order, and the economic standards adopted by the Concern's council;
- maintain in a proper technical state the production capital that is being used, and repair and overhaul fixed capital at the prescribed times;
- bear responsibility, including pecuniary, for nonfulfillment of the commitments made to the managerial organs of the Concern and its members; and
- observe the Charter of the Concern and carry out the decisions of its superior organs.

Thus, the State Concern and its members are a unified economic and production complex of independent enterprises and organizations and of cooperatives that have united themselves voluntarily on the basis of economic interests for the purposes of more complete utilization by them of the opportunities granted by USSR statutes.

Since the State Concern Vodstroy appears as the legal successor of the former USSR Minvodstroy in questions of the proprietor of All-Union state property and can

have this property at its disposal, put it to use, or lease or sell it, the presence in the Concern's name of the word "state" is justified and gives the USSR Council of Ministers the right to approve the State Concern's Charter and the candidacy of the administration's chairman.

The Concern's property consists of fixed and working capital, and also of inventories and other property assigned to the Concern. The Concern's funds are also formed through fees paid by the enterprises for the fulfillment of specific-purpose tasks.

The following are formed through the fees of the State Concern's enterprises:

- the fund for the development of production, science and technology, including the financing of scientific and engineering programs, for the training of personnel, and for upkeep of the executive staff and the administration of the State Concern;
- the social-development fund;
- the material incentives fund, including the awarding of bonuses for the results of socialist competition and incentives for the fulfillment of especially important tasks; and
- the insurance reserve.

The Concern's administration is formed on a democratic basis with the wide participation of working collectives. The Concern's highest organ is its council, which elects the chairman and members of the administration.

The highest organ of the Concern's administration is called the Inspection Commission and the chairman thereof. The financial activity is inspected at least once per year.

In order to raise the efficiency of the activity of enterprises and organizations, to make more rational use of their monetary resources through the timely manipulation of financial resources, to get funds from other sources for the purpose of reequipping and rebuilding production facilities, and to carry out measures of a social nature, a commercial bank with appropriate branches is being established under the Goskontsern [State Concern].

A number of circumstances dictate the necessity for creating a commercial bank for the branch.

For example, there are the state budget deficit and the inadequate allocation of state financial resources for developing the branch's enterprises and organizations. These compel enterprises and organizations to seek ways for more effective and purposeful utilization of their own funds, and also to acquire in timely fashion free funds and funds from other branches and from joint-stock, cooperative and social organizations and from citizens for the financing of expenditures for the social and production development of the branch's contracting

organizations, since many of the small and medium-sized enterprises do not have at their disposal adequate financial resources for the independent solution of investment, organizational and marketing problems.

Moreover, there are a number of substantial deficiencies in the specialized banks' temporary-credit services for enterprises and organizations. Economic methods for influencing the effectiveness of credit have not been put into action well. Criticism of the banks for a formalistic approach to the actual needs of enterprises, red tape in setting ceilings on credit granting, failure to understand the needs of the branch, a lack of objectivity in turning down credits, and an incapability to resolve in timely fashion and independently financial problems that come up in their work are correct.

We consider that, in order to concentrate financial and credit resources on the most effective areas of activity, it obviously is necessary to create a branch commercial bank (or at the initial stage of the fund for developing contract organizations for water-management construction).

The commercial bank's activity should have a main purpose—a considerable increase in the utilization effectiveness of enterprise funds. The bank, we assume, will be founded on contractual market relationships and will permit, on a democratic basis, by collegial decisions of the shareholders, the conduct of a temporary-credit policy which will support an increase in production effectiveness and the implementation of social programs.

The main tasks of the branch's bank at the initial stage of its activity will be:

- a concentration of enterprise resources on priority areas of the branch's development;
- the financing of and the granting of credits for promising branch scientific developments and research;
- the use of more effective forms and settlements for purposes of speeding up the rate of turnover of monetary resources and of reducing outlays in the settlements;
- wide differentiation of the interest policy as a function of the significance to the branch of the measures being taken, and the application of advantageous interest rates when granting credits for innovations; and
- simplification of the procedure for financing, granting credits, and making settlements, and democratization in the issuance of all types of credits, with observance of the basic principles of granting credits—efficiency, urgency, and reimbursement.

The branch's bank can also represent clients' interest in financial and economic organs on the basis of agreements and extend consultation and intermediary services for pay.

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POLICY, ORGANIZATION

Increase in Trade Crime Statistics, Strategy Examined

914D0013A Moscow EKONOMIKA I ZHIZN
in Russian No 40, Oct 90 p 17

[Article by G. Sinilov, laboratory chief, USSR MVD VNII, doctor of juridical sciences, and S. Golovnin, deputy head of department, USSR MVD VNII, candidate of economic sciences: "New Metamorphoses of Criminal Profit"]

[Text] In the first half of 1990, there were 152,178 registered economic crimes. This is 4 percent more than last year. The damage done by criminals has increased by 7.2 percent, up to 131.8 million rubles. The average cost of a crime has also grown by 10.3 percent, to 1,045 rubles.

Analysis of statistical data shows that the progress of economic crime has, unfortunately, been occurring for some time. In the 4.5 years of the current 5-year period, 1.3 million crimes have been registered, roughly as many as in the last 5-year period. This process is not developing in quick jumps, but gradually, from year to year. In the past decade, the damage done to the national economy annually by this kind of shadow activity increased by 57.3 percent...

Study of more detailed information enables us to conclude that a perestroyka of the structure of economic crimes is occurring along with the development of market relations. In the first half-year, for instance, the growth of damage from thefts increased an average of 3.2 percent, yet their number decreased by 14.3 percent. However, the number of thefts on especially large scales has grown by 42 percent, and petty thefts—by 5.9 percent. That is, among thieves basically the big "schemers" and the petty "pilferers" have become more active. The number of robberies has increased by 11.5 percent, while damage from them has increased by a factor of 2.5. Damage from abuse of official position has increased by 22.2 percent.

Under conditions of universal shortages, speculators have also "started moving." One-fifth of all crimes are of this type. Growth is observed both in criminally punishable speculation (by 4.4 percent), as well as in administratively punishable petty speculation (by 32.8 percent).

It is noteworthy that precisely speculation is often viewed as the classic crime of a market economy. This is a great mistake. In reality, speculation is a natural consequence of total shortage, an inalienable attribute of a command-administrative economy. Under conditions of a normal market economy, with a market saturated with consumer goods, speculation simply does not exist.

It is also wrong to identify short-counting, extortion and theft, which are now flourishing in the trade system, with market relations. This system is also the fruit of a

distribution-type economy. It and the phenomena inherent in it are products of our previous economic relations.

Today, the temptation of an easy profit is drawing tens of thousands of people, who have access to goods or the right to distribute them, into speculative and illegal trade machinations. For the half-year alone, 25,630 people were exposed who had engaged in criminally punishable speculation, while 22,466 people were prosecuted for the deception of buyers and customers. Moreover, 52,875 petty speculators were held administratively responsible: 64,952 people—for trade out of hand in unregistered places; 37,636 people—for the illegal sale of goods; and 35,247 people—for the concealment of goods and for sale from auxiliary premises. Valuables worth 9 million rubles were confiscated from people who had committed criminally punishable speculation, while items of petty speculation and illegal sale worth 3.9 million rubles were confiscated from other law-breakers. We note a growth in mercenary crimes, related to cooperative activities, by a factor of 2.1. The sum of nonlabor incomes extracted in this regard increased by a factor of 7.9, to 43.1 million rubles.

As a rule, two categories of cooperatives break the law. The first consists of people who joined the cooperative movement in order to extract maximum incomes via illegal machinations, using their past criminal experience and connections. There are fairly many such people in cooperatives, which can be assessed as the expenses of the new direction in the economy and as the consequences of ill consideration and inconsistency in implementing cooperative forms of economic management and of scorn for anti-crime measures. The second category of cooperative workers enters into conflict with the law out of necessity: they are provoked to it by discrimination on the part of state officials. Difficulties with material and technical supply, obtaining premises, registration of cooperatives, receiving loans, defects in legal regulation, the lack of desire on the part of state bureaucrats to let power out of their hands, and even simply the outright bribery of officials: all this pushes cooperative workers toward theft and the acquisition of stolen goods, toward the bribery of officials who distribute raw materials, materials, equipment, premises, and financial resources. In any case, even though it is a question of crimes, it is obvious that many of them would not have occurred if the cooperative form of ownership had been protected from this.

New, untraditional methods of criminal profit are also appearing. There are cases of concealing incomes from taxation, non-equivalent barter deals which harm national economic interests and the interests of other economic subjects and the population, fictitious financial transactions, the transfer of funds from non-cash circulation into cash circulation channels and their illegal withdrawal, unconscious forms of competition, etc. Such violations and crimes relate both to the formation of market relations, as well as to the inconsistency and unsystematic nature of the conversion to a

market economy, which leaves a mass of loopholes for light-fingered, newly appearing "businessmen."

Thus, not only is damage from economic crimes growing, but it is changing its type and adapting and introducing itself into the market structures that are arising. Therefore, the strategy for struggle against economic crime should not only include making repressions for violations more strict, but also raising the exigency toward law enforcement agencies. Indeed, strictness and exigency are necessary, just as it is also necessary to resolve the cadre, material and technical, and financial problems of service in the struggle against economic crimes, as well as the problems of tax inspections. World and even our own domestic experiences confirm that cheap justice and tax inspections cost society too much. However, in the final account, we are dealing with the consequences of defects in our economic mechanism. Improvement of this mechanism is the most effective way to neutralize the factors and sources of crime.

Therefore, today we must radically review economic legislation and bring it into accordance with the operating conditions of a civilized market, oriented toward permissive, stimulating measures and the revocation of numerous unwarranted instructions. We must review the conditions and grounds for administrative and criminal accountability in the existing legislation on speculation, private enterprise activity, commercial mediation, and on other economic violations, taking the changes in economic legislation and the conditions of a market economy into account. We must raise accountability for the most dangerous types of economic crimes and violations: organized criminal activity, the laundering of illegally obtained incomes, fictitious economic transactions, the concealment of income from taxation, etc. We should scientifically substantiate the criteria for the criminalization or decriminalization of economic violations, as well as introduce, as a rule, mandatory criminological expert analysis of the big economic decisions being made. In our opinion, all these measures should be included in a union-wide program for struggle against economic crime. The program itself should be a component part of the overall concept for converting to a market economy.

Procuracy Official on Anti-Speculation Measures

914D0040A Moscow RABOCHAYA TRIBUNA
in Russian 3 Nov 90 p 2

[Interview with A. Nikolayev, chief of a USSR Procuracy administration, by correspondent L. Biryukova: "Dragnet With Holes That Let Inveterate Speculators Escape" under the rubric "Topical Interview"]

[Text] Teen jackets were selling for 40 rubles apiece at Detskiy mir [Children's World]. The product sold out and the queue quickly vanished. But over in a corner [private individuals] were already selling these jackets for 60 rubles. Down below, near the department store's entrance the price was 80 rubles. The independent sellers did not

make any attempt to hide. They felt confident. They did not shy away from the militiaman who was walking up and down.

We see such pictures everywhere. This is what scarcity is doing to our economy: it literally frees millions of people from the need to produce material goods and orients them toward reselling what has already been produced. It is for this reason that such "commerce" generates much more income than direct participation in the actual production of the product.

Industrial production is presently in a slump. Scarcity and its faithful companion—speculation—are once more on the rise. This can seriously complicate the stabilization of the economy in the course of its reform. The country's Supreme Soviet, after approving the Basic Directions of Transition to Market Relations, immediately began discussing a draft law on combating speculation. If the law is passed, will it be possible to take the problem off the agenda? L. Biryukova, our correspondent, discusses this with A. Nikolayev, chief of a USSR Procuracy administration.

[Correspondent] Aleksey Ilich, one gets the impression that guardians of the law have up until now openly shirked in the face of speculation. How can this be explained?

[Nikolayev] First of all, by the scale of the problem. The rapidity with which our consumer goods market developed is known. While several years ago, a significant part of the imported goods—furniture, clothing, footwear, and radio-electronic products—were sold through speculative channels, today this is also true of even the primary necessities: soap, detergents, stockings, pantyhose, razor blades, and food. Speculation in alcoholic beverages and, of late, in tobacco products, has acquired broad scope. By no means must it be allowed to extend to drugs.

Speculators' incomes are calculated in the many billions of rubles. Thus, the volume of the current year's shadow market in passenger cars was 6.3 billion rubles; in spare parts and automotive service—2.5 billion.

[Correspondent] The unprecedented scale of speculation should also generate the unprecedented activity of law enforcement agencies in the fight against it. What is the situation in actual fact?

[Nikolayev] If you look at the statistics, you will see that USSR MVD organs have with increasing frequency been suppressing unlawful resale. For example, 32.8 percent more such cases were detected this year than last year. However, the work of BKhSS [department for combating thefts of socialist property and speculation] personnel and investigators more and more often boils down to exposing a narrow circle of small operators directly involved in selling their purchases. At the same time, the organizers of crime, including officials at trade and public catering enterprises, wholesale depots, warehouses, i. e., those who conspire with speculators, who

sell them goods for unlawful transactions, usually remain in the shade and avoid responsibility.

For example, a very young person—citizeness Aligayeva—was recently apprehended in Baku with more than 24,000 rubles' worth of imported goods. She was obviously merely a tiny cog in a complex system of corrupt interrelations. However, criminal proceedings were instituted against her alone without ascertaining where and from whom she had acquired these goods. In recent years, there have been practically no criminal cases in which criminal proceedings were instituted against organizers of stable criminal groups of speculators. The heads of internal affairs organs frequently say that they have information about the existence of groups of operators that have formed in many cities for the purpose of establishing a monopoly on trade in meat, vegetables, and fruit in kolkhoz markets with the aim of keeping the prices high. However, as far as I know, not one of these groupings has been detected even though the signals indicate that they are functioning successfully in Leningrad, Sverdlovsk, and Krasnodar.

Moscow continues to be the place to which speculators of every stripe make their pilgrimage. GUVD [main administration for internal affairs] personnel of the Moscow City Executive Committee and Moscow Oblast Executive Committee confiscated tons of butter, candy, and sugar, thousands of packs of cigarettes, tea, coffee, suites of furniture, and other scarce goods that were to have been shipped out of the capital. But, practically speaking, criminal proceedings were instituted against people of lesser importance—those who transported the goods, but none of the organizers (who undoubtedly existed) in the Moscow trade system, who rendered assistance in "wholesale purchases" were exposed at all and their ties with "black market" dealers in other regions were not revealed.

[Correspondent] It would seem that there are so many inspectors in trade that they would be able to keep track of every step made by a sales clerk or manager. Why, then, is the number of intrigues increasing?

[Nikolayev] Many inspectors frequently find abuses connected with concealing goods in stores. They meticulously calculate the value and quantity of specific products that are concealed from sale. It is specifically these stores of goods that are the nutrient medium for dealers and the principal source of their subsequent enrichment. However, it is not easy to trace the path of goods from storerooms and warehouses to the hands of "shadow figures."

[Correspondent] But that is what the inspectors are for...

[Nikolayev] Of course, they also have their successes. For example, A. Samoylenko, the manager of a fruit and vegetable store in the town of Slavutich, concealed 600 kilograms of lemons from free trade. It did not even bother him that the citrus was intended for the victims of Chernobyl. The militia succeeded in ascertaining where the scarce product went. It turned out that it went to

Chernigov where it was sold for a speculative price. A. Samoylenko was sentenced to three years of deprivation of freedom.

Other similar facts could be cited, but they are more the exception to the rule. It is frequently impossible to identify the source where a thing is bought up. The explanation is simple: the lack of harmony in the work of the BKhSS service and the investigators. Weak ties with people's inspectors, the state trade inspectorate, and workers' control also make themselves known.

The result is that from year to year there is a decline in the number of persons against whom criminal proceedings are instituted for criminally punishable speculation. More than 24,000 persons were sentenced in 1986; 17,500 in 1987; 14,700 in 1988; and approximately 10,000 last year. On the other hand, some militia personnel very enthusiastically build up cases involving the "small fish" in this business and submit these materials to public scrutiny. This creates the appearance that an active struggle is being waged against speculation.

[Correspondent] Is there any positive experience in combating this evil?

[Nikolayev] Very little. There was broad response to actions by the Latvian government which adopted a decision to prohibit the sale of goods produced by state enterprises in places not designated for trade or in the commission stores of cooperatives. If you want to get rid of such a thing, bring it to a state "commission" store where the prices are moderate. What is more, a state monopoly has been proclaimed on the sale of numerous goods. This list includes coffee, tea, vegetable oil, margarine, sugar, salt, alcoholic beverages, and tobacco. The state monopoly extends to jewelry with diamonds and jewelry from gold and other precious metals. There are heavy fines for the violation of the new rules of trade. To be sure, it is now premature to evaluate the effectiveness of such steps.

[Correspondent] Criminal speculation, which lowers people's already low living standard, is an indisputable evil. But we recall how in the discussion of the law on the fight against it, members of the country's Supreme Soviet warned that together with this evil, we must not uproot the shoots of healthy competition, without which market relations are impossible.

[Nikolayev] Yes, such a danger does exist. A kolkhoz chairman I know told me how much easier things became with the advent of commercial-purchasing cooperatives and citizens, for the most part pensioners, who buy up part of the tomato and vegetable marrow crops on the root, who bring in the harvest, haul it to market using their own transport, and sell it at market. Naturally, they sell them for more than they pay for them, but the kolkhoz benefits from this. Working hands were liberated and overhead costs declined. But when the activity of these cooperatives was prohibited and the citizens—for the most pensioners—began to be regarded as speculators, the kolkhoz began to sustain losses. There

is no one to harvest the vegetables at the proper time and if they are harvested, there is no way of transporting them: either there are no vehicles or there is no gasoline.

At the same time, there are cooperatives that buy up clothing, footwear, perfume, and other goods in the retail trade network and resell them for three times the price without any kind of additional processing. This naturally evokes the wrath of the buyer who is irritated by the higher prices. Strict administrative responsibility should be established for such dodgers who are heads of cooperatives; in the event of a second violation, criminal proceedings should be instituted against them and the cooperative should be closed down. It is very important that the new law distinguish between entrepreneurship and speculation.

There is need for legal regulation of the commercial activity of organizations, enterprises, cooperatives, and individual citizens, which will make their transition to legal market relations possible.

[Correspondent] What do you see as the most fundamental aspect of the discussion of the draft law at the session of the country's Supreme Soviet?

[Nikolayev] The debate over the proposal that is most actively supported by MVD organs: the elimination of an important element from the concept of "speculation:" purchase with the intention of resale for profit. Here one sees the desire to simplify the militia's work to expose speculators. To my way of thinking, this will cause more harm than good. People who chance to sell their things for a slightly higher price may suffer. You yourself see how rampant the prices for goods are. What is more, this proposal contradicts the right of a citizen to dispose of a thing owned by him and to sell it for an agreed-upon price (articles 92 and 240 of the RSFSR Civil Code, corresponding articles of codes of union republics, and Art. 19 of the Law on Cooperatives in the USSR). I am convinced that with such an approach, the blow will be directed not against the shadow figures and organized groupings, but against persons who chance to come under the sphere of the law's action. This cannot be permitted.

It seems to me that provision should be made for providing additional stimuli to militia personnel. Why should part of what is confiscated from speculators not

be used to strengthen the MVD's material-technical basis, its investigatory apparatus, and to encourage outstanding personnel?

Another question of fundamental importance: only the purchase of goods for resale in the state trade and consumer cooperative system should be regarded as speculation. It is important not to permit the "black market" to be nurtured specifically from this source. In all other cases, let people buy, trade, and engage in commerce.

Figures on Black Market Customer Incomes, Prices

*914D0058A Moscow EKONOMIKA I ZHIZN
in Russian No 47, Nov 90 p 8*

[Article by R. Kogay, department director, VNIIKS, and O. Uspenskaya, scientific associate: "The Malevolent Glow of the Black Market: Results of a Sociological Study"]

[Text] The black market has recently been strengthening its positions more and more. This is quite easy to explain. The money supply is increasing while the supply of goods remains short, and the instability of the socio-economic situation in the country is growing. On this backdrop, the channels by which goods enter the black market are widening. While in former times the black market was supplied chiefly through state trade, now goods are winding up here often in avoidance of it—through barter deals by cooperatives and by commercial and contracting stores.

The results of a survey showed that **50 percent of citizens in the country as a whole buy various consumer goods from speculators, second-hand dealers and other private persons, and the prices at which they make their purchases are higher than state prices.** It is interesting that the number of such buyers is nonuniformly distributed among different regions. In the Belorussian SSR, 17 percent of the population uses the services of speculators, 20 percent does so in the RSFSR and the Ukrainian SSR, and the proportion of such persons is significantly higher in the Transcaucasian republics. In Georgia for example, over 47 percent of the local population buys various consumer goods from speculators regularly.

The people that buy what they need in the black market have different levels of income. The proportion of those who feel that they cannot get by without using its services is large as well (see Table 1).

Table 1

	Percentage of Total Population	Including With Incomes of (%)					
		Up to 100 Rubles	From 101 to 150 Rubles	From 151 to 200 Rubles	From 201 to 250 Rubles	From 251 to 300 Rubles	Over 300 Rubles
Make use of the services of the black market	29.9	25.1	30.5	32.7	26.9	33.3	48.6
Plan to use the services of the black market	43.7	46.6	43.0	48.8	55.1	46.2	57.1

One out of every four persons with an income less than 100 rubles per month deals with speculators. As many as 49 percent of persons with an average per-capita income above 300 rubles per month acquire goods at higher prices, while in the Georgian SSR as many as 75 percent of the people in this category do so.

The results of the consumer survey revealed that the population basically buys 68 percent of its clothing articles, and significantly fewer cultural, personal and household goods—32 percent—from speculators. However, growth in planned purchases from speculators is credited primarily to cultural, personal and household goods. In the near future, 28 percent more customers plan to buy clothing articles from them than actually do so today. The demand for cultural, personal and household goods will double in the black market. In the RSFSR, the proportion of persons planning to acquire clothing articles from the black market will increase by a factor of 2.3, and the number of potential purchasers of cultural, personal and household goods will increase by a factor of 3.9. The corresponding figures are 1.7 and 5.9 times in the Ukraine, and 1.5 and 3.8 times in Belorussia.

Among cultural, personal and household goods, the greatest increase in purchases is expected in relation to electrical goods—by a factor of 2.9, and furniture—by a factor of 2.5. Significant increases will occur in the number of purchases of refrigerators—by 4.8 times, of washing machines—by 7.5 times, of vacuum cleaners—by 5.2 times, and of irons—by 2 times. In terms of

furniture, the population plans to primarily increase purchases of living room furniture from speculators by a factor of 4.3, and of kitchen furniture by a factor of 3.

Such, then, is the pattern of prices in the black market. Prices here were almost 70 percent higher than state prices for clothing and underwear, 83 percent higher for leather footwear, and 2.2 times higher for tricot articles. Prices are 1.5 times higher for electronic and radio goods.

The black market prices on certain consumer goods are even more significant. While the average retail price of trousers is 92 rubles, the actual price is 176 rubles. That is, it is over 90 percent higher. The actual price of blouses is 157 rubles, or 2.4 times higher, that of tricot underwear is 86 rubles or 3.5 times higher, that of tricot outer clothing is 151 rubles or 2.1 times higher, and that of leather boots is 200 rubles or 87 percent higher.

The population is presently prepared to pay even more than the actual prices that have evolved on these goods in the black market. For example while the current maximum price of a refrigerator is 1,000 rubles, its future price is expected to jump to 5,000 rubles, and the price of a vacuum cleaner will jump from 80 to 130 rubles.

Actual prices on light industry articles also significantly exceed the maximum prices set for planned purchases (see Table 2).

Table 2

	Maximum Price (Rubles)		Excess, %
	Planned Black Market Purchases	Actual Black Market Purchases	
Fall coat	800	500	160.0
Jackets	1600	600	By 2.6 times
Raincoats	1000	500	By 2.0 times
Boots	700	500	140.0
Shoes	200	160	125.0
Summer footwear	550	200	By 2.75 times

As we can see, the black market is instigating price inflation. Higher monetary income that is not absorbed

by goods in state trade fails to enter the state budget, and instead it is redistributed within the population. The

need arises for printing more money. The money that is redistributed by way of the black market could find its way into state trade and the budget through a system of commercial stores selling all scarce goods at prices set as a result of the established ratio between supply and demand. According to the survey, around 40 percent of the population uses or intends to use commercial stores.

Black market dealers bear the halo of supersuccessful heroes of the shadow economy. Fast gains, enormous profits and the availability of the scarce goods encourage speculative deals. More and more new customers are becoming participants of these deals. And this is not surprising: The black market has everything, pay your money, don't be stingy! How soon will we be

able to quench the malevolent and destructive glow of the black market, and turn the flow of goods into a healthy, civilized market?

GOODS PRODUCTION, DISTRIBUTION

Black Market Prices Listed, Compared to State's

914D0054A Moscow RABOCHAYA TRIBUNA
in Russian 21 Nov 90 p 1

[RSFSR Goskomstat report: "On Speculative Prices for Certain Consumer Goods"]

[Text] An investigation of black market prices conducted by state statistical organs in 71 republic, kray and oblast centers in September 1990 showed that on the average they are 2-3 times higher than state retail prices; on certain goods the difference is even higher:

Black Market Prices for Food and Non-Food Items

	(In Rubles [R] per Unit; Kilogram; Piece)	
	Black Market Prices (Average for RSFSR)	Ratio of Increase of Black Market Prices Over State Retail Prices
Foodstuffs		
Meat	9	4.0
Sausages	19	3.0
Coffee (per can)	15	2.5
Black Caviar (per can)	21	4.0
Chocolate Candy (per box)	20	3.7
Vodka (half-liter)	24	2.4
Non-Food Articles		
Woman's Winter Coat	1,236	2.4
Man's Winter Coat	929	2.6
Woman's Raincoat	516	2.8
Man's Raincoat	637	3.0
Bed Linen (per set)	111	3.0
Man's Winter Shoes	293	4.0
Woman's Winter Boots	470	3.7
Woman's Shoes	244	3.7
Cigarettes (per pack)	5	8.0
Living Room Suite	5132	2.5
Gold Chain	651	2.0
Refrigerator	1138	2.4
Washing Machine	412	2.0
Electric Iron	52	5.0
Books	32	6.0
Motorcycle (less Sidecar)	2295	2.4
Video Cassette Recorder	6146	2.8
Color Television	2021	2.4
Passenger Car (R1000):		
"VAZ"	32.9	3.6

Black Market Prices for Food and Non-Food Items (Continued)

	(In Rubles [R] per Unit; Kilogram; Piece)	
	Black Market Prices (Average for RSFSR)	Ratio of Increase of Black Market Prices Over State Retail Prices
"Moskvich"	30.7	3.0
"ZAZ"	13.4	2.8
"GAZ"	72.3	4.5
Prescription Medicines (per pkg)	35	8.0

Black market prices vary across the territory of the republic. Thus, the speculative price for smoked sausage ranges from R25 per kg in Saratov, and up to R40 in Murmansk and Tula; instant coffee—from R10 per can in Petrozavodsk, Makhachkala, Perm, and Blagoveshchensk, to R30 in Novosibirsk and Magadan; vodkas—from R25 per half-liter in Bryansk, Kursk, Volgograd, and Stavropol, up to R50 in Yuzhno-Sakhalinsk and Yakutsk.

On the Moscow black market, a can of black caviar costs R35, which is seven times higher than the state retail price; chocolate candy—R25 per kg (5 times higher); a bottle of wine (0.7 liters)—R10 (3 times); a woman's winter coat (Austrian manufacture), R1,200 (2.5 times); a man's coat (China), R450 (1.7 times); women's winter boots (Austria), R600 (4.6 times); a Japanese VCR, R6,500 (3.0 times); a color TV, R1,500 (3.0 times); a Zhiguli automobile, R37,000 (3.7 times); and cerebrolyzin, a prescription medicine, R30 per package (14 times).

HOUSING, PERSONAL SERVICES

RSFSR Goskomstat Data Show Worsening Living Standards

914D0003A Moscow LITERATURNAYA ROSSIYA
in Russian No 35, 31 Aug 90 p 6

[Report by the RSFSR State Committee for Statistics: "Housing: Probably Worse Than in Africa"]

[Text] A house or an apartment. How many problems arise at the mere mention of these words. How do housing conditions in Russia compare with other countries and union republics? Here are some numbers provided by the RSFSR State Committee for Statistics based on last year's all-union census.

Each resident of the Russian Federation and of the country as a whole has, on average, 15 square meters of general housing and 10 square meters of residential space. (Unlike ordinary statistics, the census excluded housing undergoing capital repairs, vacant housing where tenants are registered but do not actually live and housing unoccupied for any reason.)

Based on this data, which provide the most comprehensive information on the availability of housing, Russia lags behind most developed countries. In Norway, for instance, the average person has 74 square meters of housing, in the U.S. 65 square meters, in Sweden 43 square meters and in Japan 31 square meters. Many

union republics are ahead of Russia in this area, too: average per capita availability of housing in Georgia is 20 square meters, in Estonia 19 square meters, in Latvia, Lithuania and Moldavia 18 square meters, in the Ukraine 17 square meters and in Belorussia 16 square meters. Only the Central Asian republics, Azerbaijan and Armenia posted lower figures than Russia.

Housing indicators are somewhat better in the Voronezh and Kursk oblasts (17 square meters of housing and 12 square meters of residential space per person), Pskov and Lipetsk oblasts (17 square meters and 11 square meters, respectively) and Moscow (17 square meters and 10 square meters, respectively). In the North Caucasus and the Volga, Volga-Vyatka and Northern regions, the figures are in line with the republic's average of 15 square meters and 10 square meters, respectively. Moving east, availability of housing declines. In the Urals, West Siberian and East Siberian regions, there was 14 square meters of housing and 9 square meters of residential space per person, and in the Far East 13 square meters and 9 square meters, respectively.

The worst situation is in the Tuva (11 square meters and 7 square meters, respectively), Yakut and Buryat autonomous republics and Tyumen and Magadan oblasts (12 square meters and 8 square meters, respectively). Moreover, much housing in those regions is in a dilapidated or catastrophic condition. In Siberia and the Far East overall, dilapidated homes contain some 10 million square meters of housing space. This amounts to a full third of all such housing in Russia.

The average rural resident of the Russian Federation has 16 square meters of housing and 11 square meters of residential space, compared to 15 square meters and 9 square meters, respectively, for the urban population. Among those who live in private homes both on the countryside and in the cities, housing indicators are higher and amount to 18 square meters and 13 square meters for the former and 17 square meters and 12 square meters, respectively, for the latter. A similar range is achieved by those who live in cooperative houses: 18 square meters and 11 square meters, respectively. Those who live in dormitories have the least: 11 square meters of housing and 6 square meters of residential space.

Some 2.2 million families, or 5.6 percent of the total, have less than 5 square meters of housing space per person. Moreover, in Tuva ASSR the share of such families totals 18 percent, in Yakut ASSR 13 percent, in Magadan Oblast 11 percent, in Chechen-Ingush ASSR 9.8 percent, in Chuvash ASSR 9.7 percent and in Tyumen oblast 9.5 percent.

ENERGY COMPLEX ORGANIZATION

Regional Fragmentation of Responsibility Threatens AES Safety

914E0021A Moscow RABOCHAYA TRIBUNA
in Russian 22 Nov 90 p 2

[Article by I. Kolontayevskaya: "How to Divide the Indivisible"]

[Text] There is a danger that nuclear stations will not be supervised.

The country is being engulfed by fragmentation. We shall not act against our conscience, a practice engaged in primarily by republics that want to realize their right to sovereignty. All this reminds one of a family at the moment of divorce. But even the quarreling relatives at some instant begin suddenly to understand that not everything can be divided without problems—the children they have in common, for example.

It so happens that we developed our nuclear power as a unified complex. Physicists in Obninsk and Moscow studied the theory, and scientific-research institutes in the capital transformed the dreams into a design. To the AES sites went reactors from Leningrad and turbines from Kharkov, and fuel was imported from Siberia. Thousands of the country's enterprises were up to their necks in the construction of each station. And there was nothing strange about it: the technology was too complicated, the equipment too novel for Latvia or, let us say, the Ukraine, to be able to "grow" even a single nuclear power unit independently.

What is more, the republics' joint efforts did not end at the moment of the startup of an AES, they took on a new aspect. They had to follow up on the safety of the stubborn kid. Therefore, a state organization for monitoring also was created as a unified network for the whole country. It is called the USSR State Committee for Inspection for the Safe Conduct of Operations in Industry and Nuclear Power. In addition to nuclear facilities, the committee also watches over other enterprises with dangerous technologies, for example the oil and chemical industries. In all, there are 213,779 subordinate monitoring facilities at various places in the country.

The reverberating Chernobyl forced paper plans to be put into practice. As a result, a precise system for monitoring was quickly organized: communications strands from Moscow were stretched out to and embraced the committees—and from there they went to the various facilities where local inspectors check on safety.

But here the ninth wave of the internationality breakup rolled even up to the state inspection network. Specialists are apprehensive that any day now it will disintegrate into separate strands that will be left helplessly in midair. This is not simply an assumption.

The draft of the USSR Statute on the Safe Use of Nuclear Energy said openly: "The Union republics will be able to create republic organs for inspection and monitoring and can transfer authority for inspection and monitoring to the All-Union inspection and monitoring organs." And that means "can," and not "transfers"....

The preconditions exist in Latvia, and nuclear separatism has been strengthened in the Ukraine. Back in the springtime of this year, SAYUDIS demanded that inspection of the Ignalinskaya AES be transferred completely to the republic's inspection committee. In essence, this meant that some inspectors at Ignalin should do the inspecting of the two nuclear power units. But it was not clear how their safety can be provided for independently. I note that the reactor safety of RBMK's [uranium-graphite channel-type reactors] is similar to that of those installed at the Chernobyl AES.

This same spring the Ukraine's Supreme Soviet received a letter from the Zelenyy Svit [Green Suite] association with the recommendation that an independent Gosatomenergonadzor [State Committee for the Inspection and Monitoring of Industry and Nuclear Power] be established.

The Ukraine is a big republic, and it has its high-capacity industrial and scientific base. And still, if the "greens'" proposal is adopted, the whole inspection network will have to be broken up. Indeed, previously the division by districts proceeded in accordance with the territorial, not the republic, principle. Thus, for example, the Southwest District, with its center in Kiev, monitored, in addition to the Ukrainian AES's, the Rostov, Novovoronezh and Kurskaya AES's, which are located on RSFSR land. Incidentally, such a division of our atomic workers is not original. In the U.S., the government inspectorate with similar functions also monitors the country in four regions.

What is it that seemingly worries the specialists? Indeed, inspection is not a carload of meat, it will not disappear from their sight. On the contrary, only the responsibilities are fewer. So now let the republics take it upon themselves, if it is wanted very much—they satisfy political ambitions.

Alas, the everyday saying about what is lost being good riddance is not appropriate here—radioactive discharge from an AES will not be examined at interrepublic boundaries. I am not grossly exaggerating—there is the danger that dividing up inspection will cause a fundamental lack of supervision.

The difficult child of the 20th Century—nuclear power—is right now going through a transitional stage. In essence, all the requirements for safety are being reviewed, and a new set of engineering-standards documentation and new instructions are being created. The measurements, and criteria for domestic nuclear power are inexorably being moved upward simultaneously with MAGATE [International Atomic Energy Agency] requirements. But only 40 percent of this work has been

accomplished, and at least two more years will be required to bring it to an end.

Only the scientific potential of All-Union organizations can carry out this restructuring. An individual republic simply will not be able to carry out this restructuring in either the economic or the scientific area. No offense against them is intended, for indeed even small foreign countries that operate AES's also are not in a position to develop for themselves the whole set of documents, they buy these calculations on an international methodological basis and pay large sums of money.

So it turns out that the delicate political question about sovereignty is transformed into a serious economic problem.

And still, where does this striving to stand aloof from the central inspection organ come from? Perhaps differences have arisen with it about safety problems in the republic?

I asked Anatoliy Ivanovich Demyanenko, chief of the Southwestern District about this point, to which he replied that he did not recall any conflict situations in the whole six years of the committee's operation. Yes, there were disagreements but all of them were resolved by consultations.

The opinion of those who operated the AES's was about the same.

And the State Inspectorate turns out to be with many of the "greens," it enjoys their trust, and they see in it an ally.

And how do those in Moscow who are on the GPAN committee itself view this problem? Completely realistically. Here they were already prepared for the fact that some kind of change in structure will nevertheless occur. One question remains: how to maintain safety monitoring at the former level during this restructuring?

The specialists see one way out: collaboration between republic and Union inspection organizations is necessary—on a contractual basis, we assume.

A draft of such an agreement has been worked out in Moscow. For example, it says that the Union committee proposes to retain for itself a portion of the former functions that have to do with nuclear power, oil and gas trunk pipelines, and rail transport of dangerous freight. The central inspectorate also offers its services for the development of standards documentation, the conduct of state consultancy services, and the execution of scientific research. These and other proposals are recommendation in nature.

Will these recommendations be put into practice? Common sense will determine it.

Atomic Energy Official on Problems Posed by Conversion

914.01054 Moscow *PRAVDA* in Russian 10 Nov 90
Second Edition p 3

[Article by Doctor of Technical Sciences and First Deputy Minister of Nuclear Power Engineering and Industry B. Nikipelov: "The Atom in the Marketplace"]

[Text]

Putting the Conversion Into Effect

These days we are listening with great anxiety and profound concern to the crucial discussions being held in the USSR and RSFSR Supreme Soviets. The subject being discussed is the need for changing over to a market economy. There is no painless, trouble-free way to carry out this process. The difficult task of breaking with the established economic structure will be unavoidably fraught with setbacks, as will the changes which will occur in our economic activities and the standard of living of our populace.

In the arena of market relations, the changes under way in the forms of property and the qualitative changes which will take place in the system of economic management point to a tremendous amount of complex effort aimed at reshaping the thrust of our collective industry towards producing massive volumes of industrial goods.

This conversion has affected practically every enterprise and organization in the MAEP [Ministry of Atomic Energy and Industry]. Moreover, this sector has a complicated structure which operates on a number of different planes. The sector is made up of scientific, design and planning organizations, nuclear power stations, natural uranium extracting mines, hydrometallurgical, chemical and metallurgical plants, plants for isolating isotopes and for manufacturing thermal generators as well as radiochemical and other types of plants.

It is precisely the complex nature of this ministry, the excellent cooperation between the production and scientific-technical links, the highly-skilled personnel and our well-disciplined shipping operations that allow us to find fairly quick and, hopefully, optimal solutions to the production problems which we are now facing: with theoretical developments and the conducting of scientific experiments, up to and including planning, construction and facility operation. Essentially, the sector's enterprises form the links of a unified production chain.

As the economy becomes destabilized, and the national economy becomes more difficult to manage, we must not allow a sector as multifaceted as the MAEP to go by the way. Nor must we allow any break in the established organizational-manufacturing cycle of its existing production links.

In connection with the decisions taken during 1988-1989 by the President and government of the USSR to eliminate short- and medium-range rockets and with the

successful progress of our talks with the United States concerning a fifty-percent reduction in strategic offensive weapons, production of highly-enriched weapons-grade uranium for military use has been cut back, and three industrial plutonium-producing reactors shut down. Plans call for two more of these reactors to be shut down soon. At the same time, nuclear power production has been slowed sharply for a great many reasons well known to our readers. This has caused an even more drastic decline in the demand for natural and enriched uranium.

The sector has risen to the tasks of a dual conversion. There have been problems with reorienting the industrial enterprises and scientific-research organizations, redirecting the workload of the thus-liberated areas and production capacities, involving replacing and creating new workplaces, making changes in manufacturing equipment and methods as well as the corresponding retraining of our workers and making changes in long-established links. The reorientation of the uranium mining, reactor-related and uranium processing subsectors will be particularly sweeping.

The complexity of converting our industry lies in the fact that the sharp cutback in production volumes has affected production facilities whose production profiles will not, generally speaking, undergo any change. Moreover, we feel that the present decline in demand for nuclear fuel will be short-lived.

The development of AES's [nuclear power stations] equipped with safer primary automatic control systems, the difficulties of extracting oil and coal, and the absence of energy-conserving manufacturing methods will alter public opinion. This has occurred in France, Japan, the United States, Switzerland and other countries as well. This should lead to an increase in the production of nuclear materials and a renewed upsurge for present production slowdowns.

This is why the enterprises making up our sector must undergo this conversion as smoothly and efficiently as possible, while also concentrating on opportunities for reaching out to foreign markets. This is a complex problem, both because of the present market's large surplus of nuclear materials and the many organizational and transport-related measures, as well as the need to broaden the marketing thrust in this field.

Our country's vast explored reserves of uranium and other materials point to the advisability of marketing them abroad, as do our existing capacities for extracting and processing them at high volumes. We are not referring to trading in raw materials. We are presently capable of exporting natural very pure high-grade uranium or else highly-enriched uranium of better quality and better economic indicators than any in the world. This is why it is to our advantage—both for this sector as well as for the involved regions of our country—to sell the finished product on the foreign market. Some of the revenues thus obtained will be used to acquire consumer goods.

The rumor that some of the income derived from uranium sales abroad will be brought back here and hidden is false. Rare metals, as well as alloys, chemical compositions, ultradispersion powders and other materials are being sold on the foreign market.

It has been decided to set this sector up so as to enable it to implement a number of scientific and technical programs. These programs include the development of prospective, rare and rare earth materials, trace elements, metals obtained through dredging, emeralds and emerald-based products as well as a program for developing production engineering of equipment and producing extremely pure materials and ultrasanitary production plenums and using these materials to develop componentry and operational microelectronics devices, a program for developing fiber-optic equipment and its maintenance, a program for developing milk processing production equipment etc.

The development, manufacture and delivery of medical equipment and devices holds a priority position in these plans.

The sector has a history of producing insufficient amounts of nonproductive consumer goods. This is why we plan to increase production of these goods five-fold (to R1.5 billion) by 1995. The idiosyncrasies inherent in producing these goods were taken into account when we drew up these plans.

For instance, the program for prospective materials is being implemented with the assistance of mining enterprises freed for other duties by the conversion and hydrometallurgical plants involved in isotope separation. We have also found uses for equipment and specialists adept at organizing the production of these metals, products from tungsten, tin, molybdenum, tantalum, vanadium, manganese dioxide, barium, rare earth elements and luminescent solids. The latter are used to produce synthetic quartz and ceramics (including piezoceramics), and high-strength cutting tool materials.

The technique used to extract and purify gold—which was developed by this sector and presently used by major gold extracting enterprises—is an excellent illustration of these methods. This technique surpasses those used in the rest of the world.

Materials and production methods developed specifically for this sector have been used within the framework of this program to initiate production of products hitherto not seen in our country's economy: ecologically safe freezing agents (freons), high-power magnets and power plants for domestic appliances as well as products utilizing piezoceramics (including washing machines which use only a fraction of the detergent powders used by many contemporary machines), motor vehicle exhaust gas neutralizers, lithium power sources, superconducting materials and instruments utilizing them.

According to our reference estimates, the average reimbursement period for these production facilities should not exceed 2.5 years, with a return—based on 1990 prices—of 0.6 rubles per ruble of produced output invested. This is considerably less than corresponding outlays for newly set up production lines. Previously established links between the sector's enterprises will be used when producing many of the prospective goods.

In order to guarantee high output quality, there are plans to set up joint enterprises with foreign firms.

In so doing, our work will be based on our own developments, production techniques and raw materials base.

The program for developing ultra-pure materials is based on the specific nature of those of our sector's enterprises which can produce extremely pure finished materials from admixtures as well as in chambered and remote-controlled production facilities.

The program "Machine Building Via Developing Milk Processing Production Equipment" has become the first program in the sector's conversion. Over a billion rubles will be invested in the sector's total work in this field.

Several lines of consumer goods are being produced. We intend to manufacture domestic radio-electronic devices, fertilizers, washing machines and building materials. However, the conversion process is thus far proceeding with extreme difficulty. Some of our enterprises have not yet found a direction which will allow them to make up for their decline in production. There has been too little investment and no cooperation; nevertheless, we have already seen reassuring results. The Svyatozar Joint Enterprise is increasing its production of Polaroid camera equipment, and will begin building a sanitary engineering products plant in 1990 which will be capable of producing one million products per annum. Construction is nearing completion on a facility which will produce R200 million worth of tooth paste per year, a test run of television sets is being manufactured, etc.

The sector's enterprises are now experiencing the very same difficulties as the country's other enterprises. Materials and component suppliers are refusing to conclude contracts for 1991. There have been difficulties in acquiring financing for scientific research developments and capital construction.

Considerable outlays are needed for restructuring and redirecting our defense-related enterprises toward producing civilian products. These costs can, to a great extent, be met by the enterprises' in-house assets and

bank loans, since the production capacities recently set up in the process of this restructuring for producing civilian products are usually highly efficient and their competitive output will soon repay these costs.

However, at the same time, other substantial costs will have to be born for areas of activity which produce no output of any sort and which can be financed only from the state budget. These include the costs of taking industrial reactors out of operation and mothballing them, building special enclosures within which to discharge nuclear charges, for deactivating redirected production facilities, for restoring the environment and other purposes.

No conversion is possible if sufficient financing of these costs is not forthcoming from the state budget.

The sector's collectives overwhelmingly support the program for changing over to a market economy with new forms of management in the form of joint stock societies, concerns, and associations. They are wholly in favor of maintaining the sector's ties and its integrated structure as a mandatory condition for producing more consumer goods and guaranteeing that there will be no worsening of the collectives' social life.

It is advisable, at least during the conversion period, that a certain amount of assets be kept in centralized funds (scientific, currency and production expansion funds) within the sector. The dissimilarity of the initial conditions and the specific nature of the work performed by individual defense-related enterprises, the maintenance of ties within the sector not only through scientific subdivisions, their integrated nature and administrative management, but also through financial resources requires that such a fund be set up. This will shorten the conversion period while at the same time making it more likely to succeed. In anticipating that the sectorial principle for the conversion of the enterprises by maintained, we are taking into consideration that the outcome of this strategy, the priorities and the scientific and technical guidelines must be combined with the sovereignty of the union republics along with the interests of the regions and enterprises in developing and implementing the conversion plans.

In conclusion, I feel I should point out that we need to put the conversion into law as soon as possible.

We feel sure that with the support of our union and republican organs for managing our sector, the result of carrying out its conversion will contribute significantly to increasing our output of consumer goods and services for our people during the transition period of our country's economy to market relations.

Report on TU Confederation Council Plenum

914F0067A Moscow *TRUD* in Russian 1 Dec 90 p 1

[Report on General Confederation of USSR Trade Unions Council plenum in Moscow; date not given]

[Text] A plenum of the General Confederation of USSR Trade Unions Council was held yesterday at the Palace of Labor in Moscow.

The plenum agenda was as follows:

The structure of the General Confederation of USSR Trade Unions Council and the lists of personnel of its apparatus.

The amount of the contributions of member organizations, and the General Confederation of USSR Trade Unions Council trade union budget estimates.

Standing commissions of the General Confederation of USSR Trade Unions Council.

Organizational matters.

The report "Results of the 12th World Trade Union Congress."

A report was delivered by V.P. Shcherbakov, chairman of the General Confederation of USSR Trade Unions.

A report on item two on the agenda was delivered by G.S. Bashtanyuk, deputy chairman of the General Confederation of USSR Trade Unions.

The following took part in the debate: M. Morozov, fitter of the Highway-Bridge and Amenities Administration of the Minsk City Soviet of People's Deputies, R. Papilov, chairman of the Public Education and Science Workers All-Union Trade Union Federation Executive Committee, V. Turanov, deputy chairman of the Scientific-Technological and Science-Production Cooperative, Enterprise, and Organization Workers Union Central Committee, L. Vernigora, chairman of the Poltava Oblast Council of Trade Unions, G. Budyak, chairman of the board of the Association of Trade Union Organizations of Students of USSR Higher Educational Institutions, S. Mukashev, deputy chairman of the Federation of Trade Unions of Kazakhstan Council, Yu. Abramov, chairman of the Local Industry and Public Utilities Enterprise Workers Trade Union Federation Central Committee, V. Lukev, chairman of the Coal Industry Workers Union Council, V. Sidorov, foreman-blaster of the "Karagandaugol" Production Association 50th Anniversary of the Great October Revolution Mine, P. Taov, chairman of the Kabardino-Balkar Autonomous Soviet Socialist Republic Independent Trade Unions Federation, Yu. Matovka, mechanic-repairman of the Leningrad "Pirometr" Plant, L. Zharikova, chairman of the Gomel "Mir" Toys Factory Trade Union Committee, M. Salikhov, chairman of the Tajik Republic Council of Trade Unions, S. Melekhin, machine operator of the Nizhniy Tagil Iron and Steel Works, I. Mokhnachuk, chairman of the Inta Coal

Industry Workers Association of Trade Union Organizations, V. Senatorov, chairman of the Kharkov Aviation Association Trade Union Committee, K. Agaguseynov, chairman of the Azerbaijan Republic Council of Trade Unions, M. Shmakov, chairman of the Moscow City Council of Trade Unions, and L. Vezhnevets, driver of the "Irkutskgeologiya" Geological Production Association Motor Transport Enterprise.

The plenum adopted the decrees "Structure of the General Confederation of USSR Trade Unions Council and the Lists of Personnel of Its Apparatus" and "Amount of the Contributions of Member Organizations and General Confederation of USSR Trade Unions Council Trade Union Budget Estimates," and approved the Regulations Governing Standing Commissions of the General Confederation of USSR Trade Unions Council.

The plenum formed standing commissions of the General Confederation of Trade Unions Council for the protection of the working people's socioeconomic interests; for the safeguarding of the health and the social security of the working people; for culture and sport; for legislative initiative and civil rights work; for issues connected with the Chernobyl catastrophe; for the protection of labor and the environment; and for protection of the rights of the youth and students and child protection.

The plenum adopted the decree "Unions' Action Program on Issues Connected With the Chernobyl Catastrophe for 1991-1995" and the "Appeal to the Supreme Soviets of the Union and Autonomous Republics" in connection with the situation in the country.

The plenum elected the following as commission chairmen: S.A. Arzhavkin, chairman of the USSR Armed Forces Federation of Workers and Employees Unions, for protection of the working people's socioeconomic interests, M.V. Shmakov, chairman of the Moscow City Council of Trade Unions, for legislative initiative and civil rights work, N.N. Karnaugh, chairman of the Federation of USSR Mining and Metallurgical Industry Workers Unions, for the protection of labor and the environment, A.P. Tishkin, chairman of the General Mechanical Engineering Workers Union Central Committee, for safeguarding the health and the social security of the working people, N.N. Rosh, first deputy chairman of the Belorussian Trade Unions Federation, for issues connected with the Chernobyl catastrophe, L.M. Vernigora, chairman of the Poltava Oblast Council of Trade Unions, for culture and sport, and F.I. Gaynullina, chairman of the Tatar Republic Council of Trade Unions, for protection of the rights of the youth and students and child protection.

The plenum elected A.M. Yakovlev, S.I. Kramarenko, I.Yu. Yurgens and Ye.P. Lebedev secretaries of the General Confederation of Trade Unions Council. The plenum approved as chief editor of the newspaper *TRUD* A.S. Potapov and coopted him onto the General Confederation of Trade Unions Council Presidium.

The plenum adopted the decree "Results of the 12th World Trade Union Congress."

This concluded the plenum's business.

Relieving Unemployment After Market Transition

904F0261A Moscow *PRAVDA* in Russian 24 Sep 90
Second Edition p 3

[Interview with Yu. Sillaste, candidate of economic sciences, by I. Teterin and V. Shirokov: "Manpower as a Commodity?: Is This Necessary During Transition to a Market"]

[Text] Employment of the able-bodied population under the conditions of a fundamental reconstruction of our economy is occupying the minds today of many scholars, economic managers, and organizers of production and of the social sphere of the country's economy. *PRAVDA* has already raised these questions repeatedly. Nonetheless, aspects of the problem are so multifaceted that many of the newspaper's readers and authors have expressed the desire to take part in the discussion too.

And so, we continue the conversation. Today *PRAVDA* correspondents talk with Yu. Sillaste, candidate of economic sciences and specialist in employment problems.

[Teterin and Shirokov] Yukhan Kheyovich, the concept of "unemployment," which just a short while ago was in disfavor and totally out of keeping with "socialist" terminology, is, to our surprise, becoming important. Why has this happened?

[Yu. Sillaste] I think that, in general, we perceive the problem of unemployment in a crude, primitive and overly simple fashion: is there work, or isn't there? That, incidentally, was the way that Stalin approached it.

Moreover, in recent decades we proved unable to translate our fine slogans—"Everything on the human being's behalf, and everything for the good of the human being," and "Create every condition for the individual's comprehensive development"—into practical policies. In order for a person to grow in both physical and spiritual senses, work should be attractive to him, and its results should ensure a life worthy of a civilized person.

The changeover to new types of work, and retraining stimulate the development of the individual. Granted, this demands a lot of money, but these expenditures must not be made after the fact, when there is already nowhere to go, and there is a need to retrain people urgently for other specialties or occupations. An advance, a reserve of manpower potential must be created ahead of time, taking into account the prospects and forecasts for the economy's development. So that people might, in both practical and psychological terms, shift over to other types of work without any particular psychological trauma. On the threshold of the shift to a market economy, this is especially important, for in that

case the specter of unemployment will not send large strata of the population into a panic.

[Teterin and Shirokov] Yet we seemingly have a system of retraining and requalification in place.

[Yu. Sillaste] Yes, but the emphasis in that system is on the effects, and not on studying and preventing the causes of potential unemployment. The emphasis must be placed not on the payment of unemployment allowances after the fact, allowances which are a kind of penalty payment for mismanagement and shortsightedness, but on staying ahead of advancing unemployment, on training people for new situations and conditions.

[Teterin and Shirokov] So you believe that unemployment is possible in our country?

[Yu. Sillaste] Absolutely. On the condition that we do not conduct the retraining of personnel ahead of time, that we bring up the rear of the economic processes that are occurring, rather than stay a step ahead of them.

In Estonia such work has been taken up. First of all, a careful analysis was made and economic and social trends were forecast. It was found that in recent years a deterioration of manpower potential had occurred—people either lacked the personal motivation for self-improvement, or economic methods were not used to compel them to undertake it.

Another disturbing fact was revealed: 96 percent of women in Estonia are employed, which I'm afraid is not just a union but a world "record." Now we are paying for this in terms of children's health and a deterioration of the "quality" of the working class.

When we divided the pay of regular personnel into three parts, women could no longer stay home—they were "driven" into social production. On the other hand, we started to declare incessantly that women's employment was an immense source of happiness for them, and that the emancipation of women was helping them actualize themselves in work. We deviated from human nature, which is manifest in the law that a man had always been more inclined to actualize himself in the external world, while women have actualized themselves first and foremost in the family. Their chief job from time immemorial has been care for their family members and the rearing of children who are of a higher "quality" than those of previous generations.

Now this no longer is the case, and for that reason our living environment has qualitatively deteriorated. Children's health declines from generation to generation. They are growing weaker in both body and spirit. Women, on the other hand, are torn by conflict: their hands are engaged in work, while their thoughts are at home. And they can do nothing about that—such is their sociobiological function.

We also have a hidden unemployment, which will immediately come to the surface in the changeover to a market economy. I was once told that a form of work known as

the address conveyer was introduced at one watch plant. The women assembly-line workers gained the possibility of changing their places and regulating the rhythm of work themselves. Labor productivity rose sharply. What was to be done? Cut the number of workers in half? Suppose someone suddenly got sick, or went on maternity leave, or had to be sent to dig potatoes, or something else? It was decided to open up a knitting room, various special-interest circles and a light-and-music room at the enterprise, and various other stratagems were employed just to keep the workers who were hanging around idly busy. But they were not allowed to go home during working hours.

I think that another reason hidden unemployment exists is that we have a conflict with the Constitution, which states that the work week should not exceed 41 hours. That is the upper limit, while in our labor legislation we ourselves have turned it into the lower limit, less than which there absolutely cannot be. The fact that we are in conflict here with the convention of the International Labor Organization would be well and good. Yet labor collectives are not authorized to revise it downward. And why shouldn't the work-time norm be determined in the collectives themselves? Of course, on the condition that the labor collective gives the state what is required of it by its state orders. Then the threat of unemployment would diminish, and it would not be necessary to create new jobs.

[Teterin and Shirokov] Isn't that prescription too simple? Given today's technologies, if a labor collective reduces its workweek, it will become necessary to work super hard, to go all out. That sort of exhausting pace will hardly improve workers' health or lengthen their working lives.

[Yu. Sillaste] We must create a differentiated work-time norm for different categories of the ablebodied population. Let women, for example, work 30 hours or four days a week and give the rest of the time to their families. And men, on the other hand, can work extremely hard. That is, young men—from 30 to 45 years of age—when their labor potential reaches its peak. At that age, physiologists believe, they can work even more than eight hours without damaging their health. Yet that is just the age when women are most absorbed in concern over children and care for them. We must abandon the postulate that says there should be a universal mandatory labor norm. After all, older men could also reduce their work time when their labor potential fell.

[Teterin and Shirokov] We have always taken pride in such a social gain as the constitutional right to work. Under the conditions of the market economy, the "full-employment state" will evidently not be such any longer. Does this mean that "superfluous people" will appear? Yet our objective is to protect such people and not allow them to be thrown out on the street and left without a means of support. For such a long time we stigmatized the capitalist states for unemployment, and now we ourselves are moving toward it.

[Yu. Sillaste] The most diverse forms of employment exist. And that is why, in order to prevent unemployment, we must also carry out the advance retraining of employees in a differentiated fashion.

Only that should not be done in a pro forma fashion, for the sake of a "check mark" on report forms. After all, today reports also list millions of employees who have passed through advanced training courses and centers. However, we see no real benefit from this. And why? The problem is that the advanced training has been geared toward existing production, and it has been immensely divorced from current realities, at that. For example, in such courses a lathe operator attends lectures on the international situation, the political situation in the country, and the latest devices used in Japan, devices which we do not have and do not anticipate having, and so forth.

We need a different philosophy of retraining employees. Today it is done with the anticipation that that lathe operator will be producing the same products until the end of his days, only that, say, instead of 10 bushings, he'll be turning out 15. Yet we should be proceeding on the basis of a global analysis of the national economy, on the basis of the situation that will exist in 10-15 years. Maybe those bushings will no longer be needed; maybe what will be needed is microchips. In short, we need a competent and substantiated forecast that takes into account the pace of scientific and technological progress and the new laws that are presently being adopted.

The last point is especially important. For example, housing policy will change. It will become possible to buy an apartment. That means that there will be a need for middleman-type, brokerage offices where you can go to have someone select you an apartment. From among what category of employee will such middlemen be trained? Most likely from among former managerial personnel, who will not be able to step up to a machine tool or pick up a shovel even if they want to. They will be able to earn their living and the recognition of society by providing middleman services. They will also be able to move to small firms and engage in private enterprise. In short, we must identify the trends and start up mechanisms for selecting and training such future workers in advance.

Incidentally, in Estonia we have projected new areas of management and economic activity that we do not yet have, and it has turned out that even if in certain specialties we will need only three or four people, we will need to train more than 3,000! And after them, hundreds upon hundreds more workers, whom they will subsequently "restructure" and retrain in they way that they have been.

[Teterin and Shirokov] Even if unemployment in its "pure form" does not threaten us yet, another aspect of it, the drastic changing of occupations or specialties, is fraught with the potential for serious psychological shocks. And once again, one must take one's labor to the

market, feel oneself to be a "commodity." You'll agree that that doesn't sound "socialistic."

[Yu. Sillaste] We are frightened by the very term "labor market." Indeed, it sounds unfamiliar to us. But didn't we sell manpower to the state before? Only not on a free market, but in a "discount labor shop." What else can you call wages that were uniformed for the entire country and regulated by the state?

When we carried out a wage reform in Estonia, it surprisingly came to light that for many people it was not a raise in wages in return for harder work that was important, but low-pressure work that carried no responsibility. They would agree to a modest level of pay, as long as they could put in a "modest" effort, without straining either their physical or mental abilities. The market economy will inevitably break such inertia and force people to live according to a different rhythm and improve themselves in a more dynamic fashion.

It will also become necessary to be more readily maneuverable. That is in addition to the fact that both employees themselves and the job-placement agencies in the near future will need to take into account the employment situation on adjacent territories, which should complement one another in this area.

Say, we know that in Leningrad Oblast there is a Evrika firm that is concerned with deserted localities and the possibility of settling them. Villages in Novgorod and Pskov oblasts have been repopulated. Under appropriate conditions and guarantees, nonindigenous inhabitants of the Baltics could return there.

In neighboring Finland the problem of structural unemployment is acute. Thus, there are not enough people to care for the sick—registered and practical nurses. Finland might temporarily invite 120-150 people for 18 months or two years from Estonia, especially since our languages and traditions are similar. We might take that up, especially since we have our own interest here—our younger medical personnel might gain new experience, knowledge and techniques there, and enhance their job skills.

[Teterin and Shirokov] And one more aspect of the problem. Since we understand that under the conditions of a market economy, the restructuring of our economy, and the reorientation of our enterprises toward "high" technologies and modern products, the process of releasing people is inevitable, that means we must think about some sort of unemployment allowances. A person should be at least basically protected in a social sense.

[Yu. Sillaste] You're talking about the same thing again. You must understand that a person who is able and willing to work does not need a handout either from the state or from anyone else. His dignity and pride should not be in any respect demeaned. Even an allowance for unavoidable unemployment should be given not to provide a minimal decent existence, but so that during that time a person might find a use for himself, master new

skills, and restore his competitiveness on the labor market. So that he might define himself in his future destiny in an unhurried fashion, take a training or advanced training course. For this purpose, a system of vocational guidance must be established.

In short, we need carefully developed programs at the statewide and republic levels for the prevention and anticipation of unemployment, for job placement, and for the retraining and reassignment of manpower. Of course, a program of allowances for those who find themselves temporarily without work should be conceived and implemented. Most likely, this will require special insurance funds, contributions to which should be made by both enterprises and employees themselves, and naturally, by the state.

Such a program is beginning to take shape in our republic. Several small enterprises have been set up under the aegis of the Ministry of Social Problems that are called on to work out and implement elements of that program. These firms are performing fairly effectively, since they earn money for their own maintenance through contracts with enterprises and organizations.

I am an optimist. I think that we will be able to solve the employment problem in civilized forms, without letting social tension reach an explosive state. Unemployment can be prevented, and it must be forestalled. We just have to take up this effort today, right away, and promptly.

Kazakh Labor Chairman Discusses Unemployment Problem

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[Editorial Report] Alma-Ata SOTSIALISTIK QAZAQSTAN in Kazakh on Sep 26, 1990 carries on page 2 a 2400-word interview with Sayat Duysenbayuly Beysenov, chairman of the Kazakh SSR State Committee for Labor and Social Questions, recorded by Zhanat Yelshibekov, chief of the SOTSIALISTIK QAZAQSTAN Economics Division, entitled "We Are Fearful about the Future." The interview is devoted almost entirely to the unemployment issue, and to the problem of dislocation caused by the ongoing republic shift to a market economy. According to Beysenov, 400,000 Kazakhs are now unemployed, with the number of unemployed expected to rise to 442,000 in 1991, 542,000 in 1992 and 572,000 in 1993-5. In view of this growing problem, reporter Yelshibekov asks, how can central authorities go on planning and building new industries, with little local input (he claims that the planning process is secret, something disputed by Beysenov), in areas with labor shortages rather than labor surplus, expecting to draw outsiders into the republic to fill new jobs thus created rather than hire local people? This has been a problem Beysenov stresses, but times are now changing, as witnessed, he claims, by the halting of work on some major new production centers, and increased emphasis

upon human problems rather than upon plan fulfillment. But as to the migration of workers into Kazakhstan, he points out that the republic is a large one with a great deal of coming and going, and that it is a mistake to overstate the importance of the problem. In 1986, for example, 781,000 persons migrated into the republic, and 767,200 left. In 1988, the figures were 806,200 and 815,000 respectively, indicating negative net migration. Much of the current migration, moreover, he suggests, is comprised of the new Kazakh refugees fleeing other republics, particularly areas of environmental disaster. Thus, he suggests, halting migration into the republic of workers from outside might adversely impact Kazakhs too, and he calls for increased efforts to relocate these displaced persons.

Persons returning from military service and other special groups will have to be accommodated in this regard as well.

According to Beysenov, Kazakhs form only 20.1 percent of the republic industrial labor force, and only 21.2 percent of persons working in construction, indicating another key dimension of the republic labor problem, namely the under-development of Kazakh national labor cadres. This problem, and also the problem of the large number of Kazakh women with large families, and thus out of the labor force, will have to be addressed if the republic is to advance economically under new conditions of sovereignty, as now intended.

CIVIL AVIATION

Civil Aviation Minister Interviewed on Economic Changes

914H0055A Moscow VOZDUSHNYY TRANSPORT
in Russian 13 Nov 90 pp 1-2

[Interview with B. Ye. Panyukov, USSR minister of civil aviation, by V. Trubitsin: "Practice Will Provide an Assessment of Actions"]

[Text] **As we promised our readers, the newspaper is conducting a dialogue with the sector's top manager on a regular basis.**

The previous discussion with the minister showed that the choice of a topic (the transition to market relationships) proved to be correct. The tone of the discussion was maintained correctly as well—we were not showered with unworkable promises and there were no empty appeals; the accent was put on the fact that realization of our goals depends on us ourselves and our ability to act flexibly and energetically under the complex conditions of the market, which we have not experienced yet. Right after the interview was published, G. Potryasov telephoned the editorial staff from Alma-Ata and said: "The headline for the discussion with Minister B. Panyukov ('We Don't Have Time for Mistakes') was chosen precisely. We really do have enough mistakes. But I cannot help but point this out as well. In order not to permit unfortunate miscalculations, the newspaper should play out the situations that may develop in the transition to the market. It is clear that this simulation will be quite conditional in nature, but the information we need will never hurt us. What if readers' questions are lined up in a sequence corresponding to actions in the transition period? The initiative of collectives and their vital interest in the development of aviation production will help to resolve those problems which the command and administrative system could not."

[Trubitsin] Boris Yegorovich, G. Potryasov's statement alerts us because of its urgent impatience for changes. The appeal to the creativity of the masses, expressed in the language used during the times of stagnation, makes us apprehensive as well. We cannot do without creativity, of course. But it is effective only if it functions in a correct, efficient system of relations among people in production. I personally witnessed the introduction of the well-known decree No 1115. The result is not very gratifying: many sections were stripped and technological ties were violated...

[Panyukov] G. Potryasov's impatience is understandable: we have all had too many experiments, and we want to put an end to any disorder as quickly as possible. Only it would do no harm to point out that we have been very successful in the latter—in the reckless and sometimes thoughtless destruction of what the principles of our activity were based upon. Without denying the need for decisive actions, I would like to point out that sharp changes that have been poorly considered can bring considerable harm as well. It seems that life has

taught us something in this sense. Just look at the chronic shortage the sector is experiencing in fuels and lubricants, engines, and airplanes, and in spite of that, our employees have been able to increase transport volume by almost 7 percent this year under these conditions. I am leading to the point that in making the transition to the market, we must consider and calculate most carefully and regulate all stages accurately...

[Trubitsin] In other words, make use of command and administrative methods again?

[Panyukov] Don't run down everything recklessly. After all, a reliable relationship between the regions of the Far North, Siberia, and the Far East and the center of our country was established at one time. We cannot manage the transition to the market without the experience of the past, either.

Let us begin with concepts such as "meeting passenger demand" and "improving the financial condition of our aviation enterprises." If we slacken the reins and assign primary importance to obtaining maximum profit, it is quite possible that a disastrous situation will develop. After all, money, and a considerable amount of it, can be earned by organizing charter flights or by transporting foreign guests, let us say, and receiving a substantial sum for this. And in stable foreign currency. But at this time the residents of Magadan Oblast, as an example, would be torn away without a trace from the mainland, from the continent, as they usually say in those places.

[Trubitsin] It is paradoxical, but it turns out that the command and administrative system must be broken up by command and administrative methods.

[Panyukov] Monopolism in all its forms, mainly departmental monopolism, means that the ministry combines the functions of a huge airline and an organ of state management. It is not hard to understand that the consequences of this kind of monopolism can be dampened to a significant degree if the Ministry of Civil Aviation's rights to engage in economic activity are limited. At the same time, in our opinion, the main task of the renovated organ will be development of a unified system of legal and normative documents plus monitoring adherence to them. I will add that it should also watch the implementation of antimonopoly measures, following the example of other countries. So if some enterprises take it into their head to merge, let us say, entire groups of experts determine if a monopoly will be created in the merger. And they adopt the appropriate decisions in this regard.

[Trubitsin] Recently I learned that certain ground service specialists in the Myachkovo Aviation Enterprise, for example, wanted to leave the unified detachment. The commander opposed it and the chief of the administration opposed it as well.

[Panyukov] They can be understood. Nevertheless, we cannot get away from the division of our unified aviation

detachments into strictly airports and flight and technical complexes. Otherwise we are not freeing ourselves of the following type of monopolism—structural monopolism. As we know, under those conditions the passengers begin to be divided into "ours" and "theirs." The same applies to the maintenance of aviation equipment. Let us say that the collective of Khabarovsk Aviation Enterprise No 2 had the opportunity to perform work in the sphere of influence of the unified aviation detachment in Nikolayevsk-on-Amur. What happened? They began putting pressure on the people in Khabarovsk in every way possible, that is, maintenance of their helicopters began to be put in last place and obstacles were put in the way of refueling. And so forth. Nothing like this would happen if the airports operate by themselves and the flight and technical complexes work by themselves. This division should be compulsory in the overwhelming majority of cases.

Identical starting conditions in the shift to market relationships will have to be compulsory as well. For this purpose, it is planned to transfer part of the shares in the monopolistic structures, which were formed with centralized funds and the funds of other aviation enterprises, to appropriate enterprises in accordance with their contribution to the development of these structures. By emphasizing that the funds of Domodedovo, Borispol, Ufa, (Kurumoch), Sheremetyevo, and our other giants are accumulated not by their efforts alone.

[Trubitsin] But isn't it simpler to solve the problem of the aviation enterprises that are unprofitable or operating at a loss with the help of tariffs, because it would be strange at least for an aviation enterprise to work to its own detriment under market conditions?

[Panyukov] In other words, you are suggesting that the pricing monopoly be broken. There is no doubt that the prices for tickets must be transformed. But we must approach this process very carefully. Aviation enterprises should be permitted to set new prices themselves only when the monopoly on transportation has been eliminated and competition for passengers emerges on the air routes. Otherwise, tremendous inflation of ticket prices is inevitable. We cannot help but take into account here that prices may go down when supply exceeds demand or when they are at least in balance. So in pricing policy we cannot do without centralism up to a certain point. But it is not mandatory at all for the center to set and regulate prices on local air routes. In the previous discussion we talked about this problem in some detail. I am repeating myself a little when I say that local soviets can assign subsidies or apply a more lenient taxation policy for aviation enterprises which provide service on local air routes in one region or another.

[Trubitsin] And finally, the last type of monopolism—the monopolism of state ownership.

[Panyukov] There are more than enough problems with it. Let us assume that we have divided the unified

aviation detachments into airports and flight and technical complexes. Well, it is more or less clear with the airports: the local soviets have taken them for themselves, so let them manage them as well. But the flight and technical complexes are a difficult problem. Even if they merge in a single regional airline, as they want to do in the East Siberian Administration, or even if a unified detachment is transformed into an airline, as in Ufa, the aircraft, hangars, and other property—state property—have no relationship to this anyway.

How do we carry out privatization? Turn the aircraft and the property of the ATB [aircraft maintenance base] over to the collectives? It is one thing to do this at Domodedovo, and another thing to do this in a small, unprofitable aviation enterprise. No, this method will not be suitable. A lease with a repurchase? But calculations show that it will take up to 20 years for this in some cases. It's too long, the problem of forming joint stock companies is now being debated. But it will be effective when stock exchanges are available to move the capital into those sectors which have the maximum need for it. With regard to all the rest, we should point out that we still have not established an organ to concern itself with the processes of managing and reorganizing state property.

[Trubitsin] You have contended very persuasively that the market is not anarchy and chaos at all, at least in its initial stage. In this connection, I would like to hear how the command and administrative methods are combined with economic methods in a given case.

[Panyukov] Let us take the licensing of air routes which will be conducted when our sector enters market relationships. The model of France may be followed here. Airlines there are assigned five profitable routes and three unprofitable ones, as an example. I think that this method is acceptable enough under our conditions. Another case. A route with a low level of profitability is assigned to an enterprise whose profitability level is quite high. The local soviet compensates for those losses from an unprofitable route. A third alternative: changing the payment for takeoff and landing. In principle, it can be reduced to zero in order to attract an interested carrier to this route. Finally, one more alternative: an enterprise that makes unprofitable flights receives a tax advantage from the local soviets.

[Trubitsin] In speaking about the market, we are referring to the "aviation enterprise - passenger" relationship, as a rule. But after all, we cannot overlook the "aviation enterprise - aviation enterprise" relationship.

[Panyukov] These relations leave much to be desired now. Let us refer to the experience in cooperative use of the Il-86 by the Leningrad and Ural administrations. There is a contract between them, but no contacts. Flights are being made, but the financial results do not suit the people in Leningrad. The ministry has been forced to demonstrate strong willpower under the circumstances that have taken shape. But what will happen

under market conditions when the ministry is not managing economic activity? According to the concept, the Leningrad Administration attempts to abolish the cooperative ties and fly the Il-86 on profitable routes. But what is to be done with the Ural Administration, which also must transport passengers? An unequivocal answer suggests itself: the market also must be regulated. Especially in the transportation field. Just as we do now, we will have to allocate resources for priority transportation routes in areas of the Far North, Siberia, and the Far East. In addition, it would not hurt to equip ourselves with the experience of organizing air transport in England.

[Trubitsin] Could you dwell on this in more detail?

[Panyukov] In England there is a state civil aviation department, the CAA [presumably: Civil Aviation Authority], which regulates the activity of air transport and airlines with the aid of licenses. It issues these licenses for 5 years. All the principles have been regulated by legislative documents adopted by parliament. Over the 5 years, the department carefully watches to see whether an airline's policy conforms to the state requirements. Everything is given attention: the level of service, the tariffs, flight safety. And you know, if the complaint by any passenger is considered to be justified after strict verification, an airline can have a great deal of trouble. And if, God forbid, much more serious violations are discovered, the carrier can be deprived of its right to use the routes altogether. Put more simply, it can lose its work and become bankrupt. The competition among airlines is extremely severe, and the government supports it. But then, the state does not interfere one iota in economic activity, and the airlines buy aircraft and fuel and lubricants themselves, organize the provision of in-flight meals, and so forth. If a dispute arises between some airline and the CAA, parliament is the arbitrator. It must be said that enterprise is very strongly protected in England. Under the condition that an employer does not permit violations, of course.

[Trubitsin] Can the Ministry of Aviation's current specialists assume functions similar to those of the CAA?

[Panyukov] Yes.

[Trubitsin] A little earlier you said that in the first stage of introducing market relationships, economic methods of management are introduced as volitional methods. Could you cite just one example of how this kind of innovation is developed and firmly established?

[Panyukov] I would add the "Aeroflot" Commercial Joint-Stock Bank to the list of such innovations. It was established by a decision of the Ministry of Civil Aviation in December 1988. We arrived at the idea of establishing such a bank because important changes were beginning to take place in the economy and the previous banking system had ceased to meet the sector's needs.

The bank's initial authorized fund was 100 million rubles, shares were sold for the sum of a little over 200

million, and about 1.5 billion rubles are now in circulation. Branches of the bank are operating and being established in many cities in our country. I would like to point this out in particular: the "Aeroflot" Commercial Joint-Stock Bank does not operate by command methods, but financial ones.

The bank is already prepared today to finance such major programs as development of the "Sirena-3," modernization of the Yak-42 aircraft, and establishment of TOiR [maintenance and repair] centers. So in certain indicators, the bank is even ahead of the Ministry of Civil Aviation. That is, unlike the ministry, which cannot do without subjective aspects in its decisions, the bank operates with very specific and clear categories—rubles, hundreds of thousands of them, and ultimately, millions. And for that reason, it orders precisely the music it needs, figuratively speaking. An airplane with clearly defined features is required, so please develop precisely such an airplane. And carry out the assignment with the funds allocated to you without the slightest deviation; if you refuse, others will be found to perform the job.

[Trubitsin] Boris Yegorovich, let us assume I am the commander of a small, unprofitable aviation enterprise. In order to rectify this situation, I need to purchase long-range mainline aircraft. Can I ask the "Aeroflot" bank for credits to purchase them?

[Panyukov] Of course you can. But do not forget about this turn of affairs, either. The bank's board of directors may not give you credit, but finance you and become co-owner of your aviation enterprise. After all, you may use the credit inefficiently. But the bank, for example, will suggest a program such as this to the commander: "We are making arrangements with the appropriate plants in industry. Under these conditions, it is the bank's job to see above all that the aviation enterprise receives the aircraft. But in turn we propose that some of the aircraft be used on domestic routes and some of them be used to transport coffee, let us say, from some exotic country. We have a contract for this, and it must be concluded."

This is how economic and financial methods of management are utilized. Though in most cases they can be used only after air transport is liberalized and its activity is deregulated, as well as if supply does not exceed demand or they are at least in balance. In the command and administrative system, attempts to bring this about were made by distributing resources which were always in short supply. Our previous economic system has been called a deficit economy, by the way. Experience has shown that no matter how many resources were released, there were not enough of them. A balance between passenger demand and meeting it can also be achieved by a significant increase in transportation tariffs. But the opportunities on this path are quite limited—most people in our country live on their wages, anyway. Be that as it may, the market can begin functioning efficiently if the supply and demand for transportation are

equalized. Conditionally, the transition to the market and preparation for it may be divided into four stages.

The first stage. Division of unified detachments into airports and flight and technical complexes. Inventory and division of property and finances, including foreign exchange.

The second stage. Legal procedures—drafting of charters as legal persons and adopting them. But on the whole, active preparation of a market environment and implementation of measures in the first stage. This may be the beginning of the process of liberalization, that is, a reduction of the degree of control (but not completely). I will emphasize and even repeat that liberalization will only be begun, since its complete implementation depends on ending state control. But as we have stated before, this process is very difficult. I think that the pace of liberalization will be speeded up in the third stage.

Deregulation is the last stage. If we refer to history, it must be stated that this process was begun first in the United States. There have been many disputes about this, but nearly all of West Europe is coming closer to this now. Deregulation has three of the most important elements: freedom of where to fly, freedom how often to fly, and freedom to set rates.

Only after all these complicated processes are under way will we be able to satisfy the impatience of G. Potryasov and other readers of VOZDUSHNYY TRANSPORT who are vitally interested in the problems of a market economy.

Civil Aviation Minister on Aeroflot Economic, Management Changes

914H0053A Moscow EKONOMIKA I ZHIZN
in Russian No 47, Nov 90 p 5

[Interview with B. Ye. Panyukov, USSR minister of civil aviation, by EKONOMIKA I ZHIZN correspondent V. Maleyev: "The End of Aeroflot's Monopoly?"]

[Text] *The market means competition first of all. Customers and clients "vote" with the ruble for certain goods and services, and the one who is the economic winner is the one who has satisfied their tastes and wishes.*

But how realistic is it to expect competitors in the near future for the supermonopolies that have cornered the market completely? Ones such as Aeroflot in the air passenger transportation system, let us say. How is it planned to demonopolize structures such as this? Our correspondent V. Maleyev discusses this with B. Panyukov, the USSR minister of civil aviation

[Maleyev] Boris Yegorovich, we know that a concept for radical restructuring of the management system and the shift to regulated market relationships has been drafted in the USSR Ministry of Civil Aviation. The readers of EKONOMIKA I ZHIZN are interested in the key features of this program...

[Panyukov] The problem amounts to breaking up the system of monopolies in our sector: the structural monopolism of unified aviation detachments, the departmental monopolism of state ownership, and the state price setting monopoly. All these measures should pursue one goal—to provide economic freedom for civil aviation enterprises in the market for aviation transportation and operations, with all the ensuing consequences.

[Maleyev] So the first monopoly...

[Panyukov] The unified aviation detachment today includes the flight complex, the maintenance and flight support system, and the airport. About 25 years ago these subunits were independent, but later on they were combined, which in principle, from the viewpoint of the command and administrative system, was justified. Management was brought together in a unified center. However, under market conditions, this monopoly will block the opportunity for competition on air routes, since the unified aviation detachment today has exclusive right to allow "outside" aircraft at its airport and it is naturally not to its advantage to see competitors on its routes. And this means that passengers are deprived of the opportunity to choose airlines.

In addition, combining the airline and airport owner in one person leads to the point that all incomes are concentrated in a single "pocket." The priorities for development of the aviation enterprise are disrupted, and airports' problems are often given less priority.

The concept provides for the aviation detachments' division into independent airlines and airports. It is proposed to do this in the initial period of the transition to market relationships. The first airlines have already been established: the "Kamchatavia" on the base of the Kamchatka Aviation Enterprise, the "BAL" [presumably: "Bashkir Airlines"] on the base of the Ufa Aviation Detachment, "Lithuanian Airlines" on the base of the Lithuanian Administration of Civil Aviation, and a number of others.

After the division, the airports can operate in a unified state system or they will be transferred to republic or municipal ownership. The second alternative is obviously most preferable, because the airport will then be the property of the city, its "visiting card," and the city will be responsible for its upkeep and economic efficiency.

The division of aviation detachments will rule out the distinction between "our" and "their" flights and will establish conditions for competition to develop. The relations between airlines and airports will be based on contract principles. Individual rates for aircraft maintenance and payment for use of the routes will make it possible to regulate the influx of aircraft, based on the needs for air service. Traffic in the heaviest directions will be stimulated and the unprofitableness of lightly traveled routes will be eliminated. the airport also will be more interested in high-quality service for passengers and guests.

[Maleyev] To whom will the airlines belong? Won't their new owners dictate conditions for passengers and be concerned only about their own economic well-being?

[Panyukov] The problem of the state ownership monopoly and ending state control covers a range of questions. Until this day, all funds have belonged to the center; they are concentrated here and then redistributed. This procedure was acceptable from positions in the past. But aviation equipment is expensive. With the transition to the market, not every airline will be able to incur such expenses. But how is the existing fleet of aircraft, which is not distributed uniformly enough today, to be divided? The problem of distributing property also arises from the standpoint of the collectives of individual airlines and airports. After all, Aeroflot was developed through the joint efforts of many generations of aviation employees. There are giants and there are very small aviation enterprises. What do we do here? There are many questions, and they all require a considered approach.

We believe that alternative organizational and economic structures which utilize mixed forms of ownership will be functioning within the framework of a union of sovereign states. It seems that the Ministry of Civil Aviation, with the republics' participation, can set up joint stock companies based on national and republic ownership. In order to monitor enterprises' economic conduct, the state, in the person of the Ministry of Civil Aviation, will have controlling shares. The employees of aviation enterprises should receive part of the shares. In republics and large regions, concerns and associations, which will be able to own expensive equipment and sublease it on a cooperative basis, will apparently be developed from the airlines. Other alternatives are also possible. It is important that these new structures put an end to labor collectives' alienation from property, not rule out the chance for further separation from state control, and create a stimulus for highly efficient organization of air passenger transportation.

[Maleyev] All the same, how will prices be set? Won't decentralization lead to price inflation?

[Panyukov] The current system of prices and tariffs for air transportation is full of paradoxes. Compared with the world level, although we are also in a different system of coordinates, Aeroflot's ticket prices are several times lower. And the price itself does not always depend on profitability today. Just how will prices be regulated under market conditions? By giving the airlines the full right to determine prices, we will have such prices that no one will fly. Closing unprofitable routes and airports are not the solution, either: what are the local residents and aviation enterprise employees to do?

In the transition to the market, we should proceed from the socially necessary expenditures for transportation. For this reason, it is proposed to set the prices on national routes on the basis of the tariffs worked out and adopted by the Ministry of Civil Aviation. But this does

not mean there will be "pricing" dictation from the center and the prices will remain permanently unchanged. Depending on the level of comfort and service on aircraft, the season, and the time of day, the ministry will have the right to set additional charges and discounts from the base rates. Prices for air service on local routes will be determined by the airlines in coordination with the soviets of people's deputies, based on the level of profitability and the extent to which other forms of passenger transportation have been developed in a region. Later on it is proposed to develop a system of contract tariffs. The state will regulate pricing through the taxation system, coordinating the amount of tax with the upper limit of profitability.

[Maleyev] We often hear about monopolism in the system of scientific research and design work in aircraft manufacturing. It is rather strange, since there is a whole range of design bureaus—Ilyushin, Tupolev, Yakovlev, Antonov, Mil, Kamov... What does not conform to market relationships here?

[Panyukov] Indeed, the current system of KB [design bureaus] provides the opportunity for alternative aviation developments and the selection of designs on a competitive basis. But what is the gain? Under the procedure in effect, the state directly finances the development of new aviation equipment. The best versions are chosen from the ones proposed by the design bureaus and put into production. What are the "minuses" here? First of all, it is a long time from an idea to its realization. For example, the Il-96, IL-114, and Tu-204 were originally planned to be on the air routes in 1985, but now we are expecting them only in 1991 and 1992. Secondly, sometimes new aircraft do not conform to the specifications assigned. Aeroflot is playing the role of hostage to this system. It will have to take these aircraft anyway; no matter if they are good ones or poor ones, the plan has been set in motion and the money has been spent. It would probably be better if the bureau designers themselves took credits in the bank and developed and sold the new equipment. The Ministry of Civil Aviation would monitor the conformity of the aircraft to current requirements and would issue certificates for them to begin operation. Then each of the sides would have its own share of full economic responsibility.

The problem of the technical level of passenger liners is one of the problems whose solution determines the economic situation in the sector. The current types of aircraft burn too much fuel, are not comfortable enough, and lag behind the world level in other technical features. Some people are criticizing us now because we are planning to purchase five A310 airliners in Europe under license. They will not change the weather, of course, although they will replace more than 10 Il-62's. But with these aircraft we will have the opportunity to work out new approaches in international air transportation and make the appropriate requirements of our aircraft industry.

[Maleyev] Won't the breakup of Aeroflot into independent airlines lead to a decline in the level of flight safety?

[Panyukov] Such apprehensions are fully understandable. Today we have a system for organizing and managing air transportation which is perhaps imperfect from an economic viewpoint, but which is sufficiently safe. It would be irresponsible to ruin this system by not concerning ourselves with guarantees. For this reason, the Ministry of Civil Aviation should retain the function of managing flight safety and developing unified standards, norms, and regulations to ensure the safe operation of aviation equipment, airports, and the facilities and systems to support flights. Regardless of the forms of ownership and subordination of airlines, the ministry will issue licenses for the basic types of activity related to air transportation and it will draft nationwide state programs for the development of civil aviation.

[Maleyev] In your view, how soon will market relationships in civil aviation be in full swing and passengers will note the changes?

[Panyukov] Aeroflot's problems cannot be viewed outside the context of those problems which the country's economy is enduring today. For this reason, it is hard to make accurate predictions. It is clear that the transition to market relationships will be held back by the fuel shortage, the aviation industry's capabilities, and a number of other factors. Today, for example, the unmet demand is estimated at 26 million passengers per year. Naturally, we need additional resources in order to meet it. And on the whole it will not be so simple to reform the entire Aeroflot system, which has been bound together for decades. However, I believe that with all our problems, changes for the better will come soon. Independence and economic incentive will not be slow to have an effect on the quality of passenger service. And this will only be the beginning...

RAIL SYSTEMS

Rail Transport of Nuclear Materials Highlighted

91WP00304 Moscow GU'DOK in Russian 30 Oct 90 p 3

[Article by B. Kirshin: "A Nuclear Train"]

[Text] Chelyabinsk—The secrecy surrounding the Mayak Production Association, which is near Chelyabinsk, was recently removed. It has now become known that it produced the first military plutonium in 1948 and that production of military plutonium ceased in 1985 in connection with the changes in the world and thanks to an agreement between the USSR and United States who had accumulated too much nuclear fuel. The enterprise began to process tvel (reactor fuel elements) in 1977. These elements are the exhausted fuel from nuclear power stations and transport and research nuclear plants. The tvel, which were processed in Mayak, again went to work, having been cleansed of uranium and plutonium fission products.

In order to process the wastes, it was necessary to arrange for rail shipments of the assemblies (the exhausted rods) from all parts of the country as well as from the Eastern European countries and Finland where our country's nuclear power stations are operating. I understand the explosive force that the information, which I have given out, possesses. You see, one can assume that somebody will want to head for the picket lines to stop these shipments.... However, it is better to know everything fully, having cast aside emotions.

American assemblies with nuclear fuel are not reprocessed—they simply keep them as a reserve until better times. Our reasoning is also simple: There is no need to continuously increase the mining of uranium. The problem lies in how dependable the shipment and processing of the very dangerous cargo are.

A shipment is carried out in accordance with International Atomic Energy Agency (IAEA) rules. The railcars and locomotives are washed thoroughly and carefully many times before the removal and after the delivery of the freight. The assemblies are transported in large steel containers that have undergone a careful inspection and received an IAEA certificate. It confirms that the half-meter steel walls will completely contain the radiation and that no type of fire is terrible for the containers. Each container is placed in a special rail car also made of solid steel and equipped with instruments that automatically regulate temperature, pressure and other parameters. The special train with this cargo is marked with a letter. Railcars for protection are at the head and rear of the train. There is an escort railcar crammed with instruments; specialists travel in it. The cargo consists travels in front. Everything is provided for and carried out in a serious and thorough manner. According to the assurances of specialists, the unexpected has been eliminated.

After the delivery of the assemblies to the enterprise, the operations involving them are performed in special premises specially protected against radiation using mechanical arms with television controls. One can imagine the danger from direct contact with the assemblies. It is possible to receive a lethal dose of radiation in a second at a distance of one meter from the assemblies.

The active parts are cut off in the special chambers in the assemblies using mechanical arms. They are cut up into small pieces and passed through special solutions and a series of filters which cleanse the uranium and plutonium of fission products. The plutonium, for example, (it is even difficult to imagine) becomes 100,000,000-fold purer. This is possible with very modern technologies.

The last operation is the vitrification of the liquid radioactive wastes remaining after the extraction of the pure uranium and plutonium. The vitrification technology received a high mark from American and Japanese specialists who recently visited Mayak.

These once super-secret facts, which have been cited by me, testify to how serious, important and critical the

work of the railroad workers is and how important it is to be concerned about order in the area of increased danger which they call transport.

**Railway Workers Independent Trade Union
Charter Published**

914H0035A Moscow GUDOK in Russian
27 Oct 90 pp 2-3

[Charter: "Charter of the Independent Trade Union of Railroad Workers and Transport Construction Workers"; (approved by the 25th Trade Union Conference—22 September 1990)]

[Text]

1. General Provisions

The Independent Trade Union of Railroad Workers and Transport Construction Workers (NPZhTS) (hereinafter referred to as "Trade Union") is an independent public organization, united on the voluntary principles of workers for railroad transport and transport construction.

The trade union independently determines its own structure, elects its directing organs, regardless of their activity, from State and economic organs, political and other public organizations, not accountable to it and not controlled by it, and collaborates with them on an equal basis.

The trade union, protecting the rights and interests of its members, acts in accordance with the USSR Constitution, the constitutions of the union republics and the legislation of the USSR and the union republics, ratified by the USSR and the union republics by international conventions and the All-Union Declaration of Workers' Rights.

In carrying out its function, the trade union uses, to protect the rights and interests of its members, all possible constitutional rights and existing laws, including the extreme measure of striking.

The trade union can:

- enter the trade union center of the USSR on a voluntary basis;
- collaborate with other trade unions of the country and foreign trade unions;
- enter international trade union organizations and associations.

2. The Goals of the Trade Union

2.1. To protect the labor, economic, vocational, social and cultural rights and interests of its members, and the ensuing political rights and interests.

2.2. To guarantee employment for the members of the trade union in the sectors.

2.3. To raise the standard of living of the workers, increase wages, compensations, pensions, grants and subsidies and the share of profit (income), directed toward the material incentive and social development of the work collectives.

2.4. To reduce work time, increase leaves and improve productive everyday life, work safety techniques and health.

2.5. To increase free time and efficient use of it to restore spiritual and physical strength.

3. Members of the Trade Union, Their Rights and Duties

3.1. Members of the Independent Trade Union of Railroad Workers and Transport Construction Workers may be workers at enterprises, associations and organizations, railroad transport and transport construction organizations and students at sectorial educational institutions and vocational-technical institutions, regardless of citizenship, nationality, religious and political convictions, who acknowledge the Regulations and Program Principles of the activity of the trade union and pay membership dues.

3.2. A trade union member may be a member of other trade unions.

3.3. A member is accepted into a trade union in accordance with an individual procedure, on a voluntary basis, by a personal written application. The decision on accepting a trade union member is made by a meeting of a professional group or a shop meeting (conference) of the primary trade union organization in the month after the application is turned in. All trade union members have a trade union card, which is issued to the person accepted into the trade union by the trade union committee of the primary organization or trade union organization.

3.4. The term of the trade union membership is counted from the day that the member is accepted into the trade union.

Workers who are members of other trade unions, who have transferred to work in railroad transport and transport construction, retain the length of service of trade union membership.

3.5. Members of the trade union are counted as part of the trade union organization for the site of their main work or education.

Unemployed members of the trade union are part of the trade union organization for their last work place. If an enterprise is liquidated or reorganized, or their place of residence has changed, the unemployed member of the trade union has the right to stand up and be counted in any organization of a trade union of his choosing.

A trade union member, by personal written request, has the right to leave the trade union of his own free will.

3.6. Membership in the trade union is retained by:

3.6.1. Members of the trade union who temporarily cease working because of taking care of children and caring for sick people and invalids

3.6.2. Members of the trade union who, because of the state of their health or because of age, have ceased to work because of retiring on a pension.

3.6.3. Workers dismissed because of staff cutbacks or the closing of an enterprise, pending their placement in a job.

3.6.4. Workers employed in seasonal jobs, on condition that membership dues are paid and work is renewed in the next season.

3.7. Trade union membership is resumed and the length of service in the trade union is maintained after service in the USSR Armed Forces.

3.8. Members of the families of railroad workers or transport construction workers who have died or perished can be accepted into the trade union, if they are dependents.

3.9. A member of the trade union has the right:

3.9.1. To protect his legal labor, economic, professional, social, cultural rights and the political rights and interests ensuing from them. To appeal, for this purpose, to any trade union organ for advice and assistance, as well as with questions, applications and suggestions, and to obtain an answer in essence to his appeal.

3.9.2. To obtain free legal assistance and protection from the trade union on problems of labor relations, conditions and labor safety, compensation for damage, housing legislation, and increasing pensions, subsidies and other benefits, or in connection with trade union activity.

To take part in strikes carried out in conformance with existing legislation, and to obtain a subsidy.

3.9.3. To elect and be elected to the staff of trade union organs, as well as to be a delegate at trade union conferences and congresses.

3.9.4. To discuss freely, at sessions of trade union organs, trade union meetings, conferences, congresses, in the press and other mass information media, questions of the work of the trade union, to criticize shortcomings, make proposals, openly express and defend his opinion and to participate in working out decisions.

3.9.5. To participate personally in trade union meetings (conferences), sessions of trade union committees in discussing problems touching on his rights and interests.

3.9.6 To obtain information on the work of trade union organizations and their executive organs.

3.9.7. In preferential procedure, to obtain travel passes for himself and members of his family for sanatorium-health resort treatment and rest at trade union sanatoriums and to make use of trade union institutions of culture and sports structures.

3.9.8. To be a member of the mutual aid fund for the trade union committee and receive material assistance from trade union funds.

3.10. A member of a trade union is obliged:

3.10.1. To fulfill the Regulations of the trade union, participate in the work of the primary trade union organization, contribute to reinforcing the unity of the trade union and achieve the goals and tasks facing him.

3.10.2. To adhere to the conditions of collective contracts and agreements.

3.10.3. To be concerned with the authority of the trade union, and commit no actions which would do it moral or material damage.

3.10.4. To pay membership dues in accordance with the established procedure.

3.11. Active work in the trade union is marked by moral and material forms of incentive.

3.12. For failure to fulfill statutory duties, a trade union member may be given a warning or excluded from the trade union.

3.12.1. The question of making a trade union member answerable for his actions is resolved by a trade union group or shop or primary organization. Any higher trade union organ has the right to determine the measure of responsibility of the trade union member upon agreement with the primary trade union organization in which he is a member.

3.12.2. The decision on taking measures to penalize a trade union member is made in his presence. In case the trade union member refuses or fails to appear, without a valid reason, at the meeting of the trade union group or meeting (conference) of a shop or primary trade union organization, these questions will be decided in his absence.

3.12.3. A decision on exclusion from the trade union is regarded as adopted, if at least two-thirds of the trade union members present at the meeting (conference) have voted for it.

3.12.4. The question of holding accountable members of the trade union elected to the staff of trade union organs and their review committees is discussed by the trade union organizations and their delegates, and decisions on penalizing them are made in accordance with the established procedure.

3.12.5. A person excluded from the trade union has the right to a two-month period to appeal the decision to the

higher elected organ of the trade union. The announcement is discussed by the trade union organ in a period of not more than one month from the day of its arrival, and its conclusion is sent to the primary organization, the decision of which is conclusive.

3.12.6. The person excluded from the trade union may be reaccepted as a member of the trade union, but no earlier than a year later.

3.13. Members who have left or been excluded from the trade union have no rights to general trade union property; the sum paid by them for membership dues is not returned.

4. The Organizational Structure of the Trade Union

4.1. The trade union is organized on the production principle: members of the trade union, working in an association, enterprise, institution or organization or studying at an educational institution, unite on a voluntary basis into a single trade union—the Independent Trade Union of Railroad Workers and Transport Construction Workers.

Member organizations of the Independent Trade Union are: road and territorial trade union organizations of transport construction workers; other trade union formations of railroad workers and transport construction workers acknowledging the existing Regulations of the trade union and the program principles of its activity.

4.2. Within the framework of the trade union, to protect the rights and interests of individual professional groups, members of the trade union may, on a voluntary basis, unite into associations or professional sections.

4.3. The Regulations of the associations are approved by their constituent congresses, and the provisions on professional sections—by the appropriate executive organs of the trade union.

4.4. The structure of the trade union includes:

- trade union groups;
- shop trade union organizations;
- primary organizations;
- united trade union organizations;
- rayon, regional and territorial organizations;
- territorial trade union organizations of transport construction workers;
- road trade union organizations;
- other trade union formations of railroad workers and transport construction workers.

4.5. The higher organs of a trade union association are:

- meetings, conferences—for primary trade union organizations;

—conferences—for united rayon, territorial, regional and territorial organizations of transport construction workers and road organizations;

—the congress—for the trade union.

4.6. The executive organs of a trade union are:

—trade union committees, their presidiums, councils of trade union committee chairmen—for shop, primary and united trade union organizations;

—rayon, regional, territorial and road committees of the trade union, their presidiums, councils of trade union committees—for rayon, territorial, regional, and road trade union organizations;

—the Central Committee of the trade union and its Presidium—for the trade union.

4.7. The control organs for trade union organizations of all levels are audit commissions.

4.8. The coordinating and consultative organs of the trade union are:

—councils of chairmen (representatives) of trade union committees of enterprises and organizations of railroad transport and transport construction workers;

—the all-union conference of the trade union.

5. General Principles of the Formation and Activity of Trade Union Organs

5.1. Norms for representation are established:

—at a conference—by the appropriate trade union committees;

—at a congress—by the Central Committee of the trade union.

The procedure for electing delegates is established by higher or executive organs of the appropriate trade union organizations.

5.2. The expediency of setting up the appropriate executive trade union organs is determined by meetings, conferences, and congresses.

5.3. Trade union organs are formed on the principle of direct delegation, in which each trade union organization is elected, along with the elections of delegates to the conference or congress, according to an established quota of their representatives in the appropriate trade union organ, with the right to recall and replacement.

Economic directors on a parity basis with them cannot be appointed to the staff of the trade union organ.

5.4. Elections of rayon, territorial, regional or road committees of the trade union, councils of chairmen of trade union committees and the Central Committee of the trade union are held once every five years.

5.5. The procedure for electing directors of the trade union organ specifies a meeting, conference or congress. There is no limit on the number of candidates for any post. Decision on the form of voting (closed or by a show of hands) is made by the meeting, conference, congress or plenum of the trade union organ.

5.6. In elections of trade union organ members, the candidates who have obtained the greatest number of votes in relation to other candidates and over half of the votes of the participants in the meeting or delegates of conferences and congress taking part in the voting is considered to be elected.

5.7. Upon the demand of at least one-third of the number of united trade union organizations of the members of the trade union, elections of the trade union group organizer, trade union organizer and any trade union organ or its director are held ahead of schedule.

The higher trade union organ can propose to the trade union organization that elections of its executive organ or director be held ahead of schedule. The higher organ of the trade union organization makes the final decision.

5.8. The chairman, deputy chairman (secretary) of the trade union committee, elected by a conference or congress of the trade union in the period between conferences or congresses is relieved from his duties at a plenum of the appropriate trade union organ by a two-thirds majority of the votes of its members attending the plenum and taking part in the voting.

5.9. Chairmen of the trade union committees of primary organizations (trade union organizers), shop committees (trade union bureau), elected by meetings (conferences), are relieved of their duties by a meeting (conference) by a majority vote of the participants in the meeting or delegates of the conference taking part in the voting.

5.10. Plenums of trade union organs are convoked when necessary, but no less often than twice a year; the periodicity of meetings of the presidium is established by the plenum.

5.11. Trade union meetings, sessions (plenums) of trade union committees and their presidiums and meetings of the council of chairmen of trade union committees are considered empowered by law if more than half of the members of the trade union, trade union organization, members of the committee, presidium and council of chairmen of the trade union committees participate in them. Trade union conferences and congresses are considered empowered by law if at least two-thirds of the delegates participate in them.

At enterprises with shift-work conditions, it is possible to hold shift (duplicate) meetings.

5.12. Decisions of meetings, conferences, congresses, meetings of committees of the trade union, their presidiums, and the council of chairmen of the trade union

committees are made by majority vote of the participants in the meeting, delegates of the conference, members of the trade union committee, council of chairmen of trade union committees (if regulations have not established a different procedure for making the decision).

5.13. Decisions of trade union organs of all levels on the most important problems of trade union activity should be made after the drafts of these documents have been discussed in the primary organizations.

5.14. Trade union organs may convolve meetings of the active membership of the appropriate organizations, create permanent and provisional committees, determine their powers and use other forms and methods to develop social principles in work.

5.15. The trade union organizes its work on the basis of:

5.15.1. The independence of the trade union organizations and their organs in solving problems of regulation.

5.15.2. Glasnost in the work of all trade union organizations and their elected organs.

5.15.3. Free discussions at the stage of discussing problems and striving to achieve general agreement.

5.15.4. Taking into account the opinion of the minority and of each member of the trade union; the right of the minority to defend and explain its position, including through the press and other mass information media.

5.15.5. Formation of the staff of trade union organs at all levels on the basis of contracts and fixed time contracts.

5.16. Trade union committees at all levels and councils of trade union committee chairmen may take part in economic, commercial, executive and other activity permitted by law.

5.17. Trade union organizations have the right to leave the trade union. The decision on this is made by its higher organ and a two-thirds majority vote of its members taking part in the voting, and comes into force three months later. The trade union organ determining the conditions for financial and property regulation is informed of this.

6. Primary Trade Union Organizations

6.1. A primary trade union organization is formed by members of the trade union working in the same subdivision of the association, institution or organization, or studying at the same educational institution, with the presence of at least three members of the trade union.

The decision on creating the primary organization and entering the trade union is made by a constituent assembly of the trade union members, and the higher executive body of the trade union for registration is informed of it.

6.2. Trade union committees of large primary trade union organizations, as well as trade union committees

of primary organizations working under the conditions of territorial separateness, upon the decision of the higher trade union organs, may be granted the rights of a regional trade union committee.

6.3. A primary trade union organization is guided in its work by the regulations of the trade union, independently determines the structure and priority directions of its activity and solves problems concerning the expenditure of funds from the trade union budget and other funds at its disposal.

6.4. A deadline of 2-3 years is chosen to introduce routine work:

- in the trade union group—the trade union group organizer and other elected active members, upon the decision of the trade union group;
- in the primary trade union organization, uniting less than 15 members of the trade union—the trade union organizer and his deputy;
- in the primary shop trade union organization, uniting from 15 to 150 members of the trade union—the trade union committee or shop committee (trade union bureau).

In the primary and shop trade union organization, uniting over 150 members of the trade union, the trade union committee is appointed for a period of 5 years.

6.5. A meeting, conference or committee of the trade union elect the chairman of the trade union committee, his deputy (deputies) and treasurer, and the shop committee (trade union bureau)—the chairman of the shop committee (trade union bureau) and his deputy (deputies).

6.6. The trade union committee of the primary organizations:

6.6.1. Organizes work in the period between the trade union meetings (conferences).

6.6.2. Represents and protects the rights and interests of the workers.

6.6.3. Concludes a collective contract with the administration of an enterprise and organization and monitors its fulfillment.

6.6.4. If a collective labor dispute (conflict) arises, immediately informs the higher organs and local Council of People's Deputies of this and participates in the work of the conciliation commissions and labor arbitration.

If no agreement is reached in the course of the conciliation procedure, announces a full or partial work stoppage in accordance with the USSR Law "On the Procedure for Permitting Collective Labor Disputes (Conflicts)".

6.6.5. Carries out work on social insurance of workers in accordance with the statute on the Fund for USSR Social Insurance, sends the railroad workers and transport

construction workers and members of their families for sanatorium-health resort treatment and rest, checks the organization of medical service for workers, takes part in setting pensions for them and organizes mass cultural and physical culture-health improvement work.

6.6.6. Directs the benefit fund.

6.6.7. Coordinates the norms for output, time, wage rates, work and leisure conditions and the norms and conditions for labor safety and health procedures.

6.6.8. Monitors the correctness of using wage and payment systems with workers, forms of material incentive, benefits and compensations and use of funds for wages.

6.6.9. Monitors adherence to labor legislation, rules and norms of production sanitation and labor safety techniques, and when there is a violation of laws threatening human life, stops the activity of the sections or shops of the enterprise, solves labor disputes with the administration, and does not permit a worker to be dismissed on the initiative of the administration without its agreement.

6.6.10. For the performance of routine work, may appoint a presidium in large primary and shop trade union organizations, as well as in primary organizations working under the conditions of territorial separateness.

6.6.11. May transfer some of its rights and functions to shop committees (trade union bureau).

6.7. The trade union committee is accountable to the trade union meeting (conference) in its work.

6.8. Trade union organizers appointed at enterprises, institutions and organizations grant and protect the rights and interests of workers and employees in the spheres of production, labor, everyday life and culture.

6.9. The shop committee (trade union bureau) organizes its work in the shop, shift, section, service, department, etc., ensures the fulfillment of the decisions of the meetings (conferences) and coordinates the work of the trade union group organizer.

6.10. The activity of the primary organization ceases upon the decision of a trade union meeting or conference of this organization.

7. United Trade Union Organizations

7.1. Primary trade union organizations of structural subdivisions of production, scientific production, scientific production associations, line stations and road divisions, as well as enterprises under railroad jurisdiction, can form, on a voluntary basis, united trade union organizations and appoint united trade union committees or create councils of trade union committee chairmen.

The question of creating a united trade union organization is decided by meetings or conferences of the primary organizations.

7.2. A united trade union committee and its presidium can be formed on the principle of direct delegation from primary organizations or be elected at a conference of the united trade union organizations.

7.3. A united trade union committee has the rights of a trade union committee of a primary trade union organization.

8. Rayon, Regional and Territorial Trade Union Organizations

8.1. A rayon, regional or territorial trade union organization combines:

—primary trade union organizations of the structural subdivisions of a railroad division, enterprises, institutions and organizations under road or other jurisdiction;

—united trade union organizations;

—primary trade union organizations of enterprises, institutions and organizations of transport construction workers.

8.2. Rayon, regional and territorial trade union organizations enter interunion organs on a voluntary basis. A conference of the trade union organization makes the decision on entering.

8.3. A conference of rayon, regional or territorial trade union organizations is convened at least once every five years upon the decision of the rayon, regional or territorial trade union committee or upon the request of the trade union organizations representing at least three members of the trade union.

The conference announces the convening and agenda of a conference no later than two months before the day of its opening.

8.4. A rayon, regional and territorial trade union conference:

8.4.1. Hears and discusses the reports of the rayon, regional or territorial trade union committee and the audit commission.

8.4.2. Confirms the authority of rayon, regional or territorial members of a committee elected from the primary organizations and appoints an audit commission.

8.4.3. Determines the procedure for electing a chairman, deputy chairman (secretary) and members of the presidium of the rayon, regional or territorial committee of the trade union.

8.4.4. Elects delegates to a road or territorial trade union conference, congress of a sectorial trade union, representatives to the staff of the road or territorial committee of the trade union and the Central Committee of the trade union.

8.4.5. Makes decisions on withholdings for the funds:

—solidarity;

—provision for the activity of a rayon, territorial or regional committee of the trade union;

—financing cultural and health operations.

8.5. For delegates of a rayon, regional or territorial conference, upon the decision of the primary organization, their authority may be retained for the period of appointment of a rayon, regional or territorial committee of the trade union. The primary trade union organization has the right to recall the delegate proposed by it ahead of schedule.

8.6. A rayon, regional or territorial committee of a trade union:

8.6.1. Renders practical assistance to support primary trade union organizations in realizing their rights and organizes its work in consideration of the goals and tasks facing the primary organizations in guiding the decisions of the conference and legislation.

8.6.2. In accordance with the existing legislation, concludes a collective contract with the administration and monitors its fulfillment.

8.6.3. Approves the trade union budget and its execution and organizes monitoring of the financial-economic activity of the subdepartmental organizations, cultural-enlightenment institutions and sports structures.

8.6.4. Carries out work on social insurance for workers in accordance with the statute on the USSR Social Insurance Fund.

8.6.5. Upon the decision of the conference, elects a presidium, including a chairman, deputy chairman (secretary) and members of the presidium.

8.6.6. Is subordinate in its activity to the rayon, regional or territorial trade union conference.

8.6.7. Monitors the state of the conditions and safety practices of work and health and adherence to the legislation on labor.

8.6.8. Renders assistance to the trade union organizations in carrying out educational, mass cultural, physical culture and tourist excursion work in the labor collectives.

8.7. The presidium of the rayon, regional or territorial committee of the trade union:

8.7.1. Organizes fulfillment of the decisions of the rayon, regional or territorial conference and plenums of the rayon, regional or territorial committee of the trade union.

8.7.2. Renders assistance to the primary and united trade union organizations in concluding and fulfilling collective contracts at enterprises.

8.7.3. Coordinates the routine activity of the trade union organizations and united rayon, regional or territorial committee.

8.7.4. Directs and monitors efficiently the activity of the technical and legal labor inspectorate of the Central Committee of the trade union, and organizes the staff.

8.7.5. Holds meetings when necessary, if the plenum of the rayon, regional or territorial committee of the trade union has not established a different periodicity for the meetings.

8.7.6. Coordinates the routine activity of the trade union organizations and united rayon, regional or territorial committee.

8.7.7. May participate in economic, commercial, publishing and other activity permitted by law.

8.8. The activity of a rayon, regional or territorial trade union organization is ceased ahead of schedule by decision of a rayon, regional or territorial conference.

9. Road Trade Union Organizations and Territorial Trade Union Organizations of Transport Construction Workers

9.1. A road or territorial trade union organization of transport construction workers combines:

—rayon, regional, territorial and trade union organizations on the same footing;

—primary and united trade union organizations of enterprises under road jurisdiction, and other enterprises, institutions, and organizations of railroad transport and transport construction workers.

9.2. Road and territorial trade union organizations of transport construction workers, upon the decision of the conference, enter interunion organs on a voluntary basis, and independently determine the forms and nature of cooperation with them.

9.3. A conference of road or territorial trade union organizations is convened at least once every five years upon the decision of the road or territorial committee of the trade union, or upon the request of the trade union committees, representing at least one-third of the members of the trade union of the trade union organization.

The convening and agenda of a conference is announced no later than three months before it is opened.

9.4. Upon the decision of the trade union organizations, full authority may be preserved for delegates of the conference for the period of electing the corresponding elected body. The trade union organization has the right to recall the delegate that it has nominated ahead of schedule.

9.5. A road trade union conference or territorial trade union conference of transport construction workers:

9.5.1. Hears and discusses the reports of the road or territorial committee of the trade union and the revision commission, confirms the authority of members of the trade union committee delegated from the trade union organizations and elects the audit commission.

9.5.2. Elects delegates to the trade union congress and representatives to the staff of the Central Committee of the trade union in accordance with the established norms of the delegation.

9.5.3. Determines the procedure for electing a chairman, deputy chairman (secretary) and members of the presidium of the road or territorial committee of the trade union of transport construction workers.

9.5.4. May establish organs of the press and other mass information media and approve their regulations

9.5.5. Makes the decision on withholdings for the fund to ensure the activity of a road or territorial trade union committee.

9.6. A road or territorial committee of the trade union:

9.6.1. Is elected for a period of five years, and its authority is ceased ahead of schedule upon the decision of the road or territorial trade union conference.

9.6.2. Coordinates the work of the trade union organizations, takes part in the development by Soviet and economic organs of the plans for economic and social development of the work collectives.

9.6.3. Concludes a collective contract or agreement with the administration and monitors its fulfillment.

9.6.4. Approves the trade budget and its fulfillment and organizes the monitoring of the financial-economic activity of the subdepartmental organizations, cultural-educational institutions and sports structures.

9.6.5. Implements work on social insurance for workers in accordance with the Decree on the USSR Fund for Social Insurance.

9.6.6. It monitors the status of conditions, labor safety and health, compliance of legislation on labor.

9.6.7. May take part in economic, commercial, publishing and other activity permitted by law.

9.6.8. Upon the decision of the conference, elects the presidium, including the chairman, deputy chairman (secretary) and members of the presidium.

9.6.9. Forms sections and commissions and approves their staff.

9.6.10. Is subordinate in its activity to a road or territorial trade union conference.

9.7. The presidium of a road or territorial trade union committee:

9.7.1. Organizes fulfillment of the decisions of a road or territorial trade union conference and plenums of a road or territorial committee

9.7.2. Renders assistance to primary, united, rayon regional or territorial trade union organizations in concluding and fulfilling collective contracts

9.7.3. Coordinates the routine activity of trade union organizations united by a road or territorial committee

9.7.4. Efficiently directs and monitors the activity of a technical and legal labor inspectorate and the appointed physician of the Central Committee of the Trade Union, and organizes the staff

9.7.5. Takes part in establishing the economic norms, working out systems for additional benefits and social guarantees and creating reserve wage funds

9.7.6. Renders assistance to trade union organizations in carrying out educational, mass cultural, physical culture-sports and tourist-excursion operations

9.8. The Council of Trade Union Committee Chairmen has the status of a road or territorial committee of the trade union and carries out its activity in accordance with the rights delegated to it by the decisions of the primary trade union organizations

10. Higher Bodies of the Trade Union

10.1. The highest trade union body is the congress. The congress of a trade union is convened once every five years. An extraordinary congress of the trade union may be convened upon the decision of the Central Committee of the trade union or upon demand of the trade union organizations representing at least one-third of the members of the trade union.

10.2. The congress of the trade union:

10.2.1. Hears and discusses the reports of the Central Committee and the audit commission of the trade union.

10.2.2. Adopts the program principles for trade union activity.

10.2.3. Revises and approves the Regulations of the trade union.

10.2.4. Confirms the authority of the members of the Central Committee of the trade union delegated from road, territorial, rayon, regional and other trade union organizations; elects the audit commission of the trade union.

10.2.5. Elects the chairman of the Central Committee of the trade union.

10.2.6. On the proposal of the chairman of the Central Committee of the trade union, elects the deputy chairman of the Central Committee of the trade union.

The chairman and deputy chairman of the Central Committee of the trade union are by appointment members of the Central Committee of the trade union and its presidium

10.2.7. Makes the decision on entering the trade union center of the country and on leaving it

10.2.8. Elects delegates to the congress of USSR trade unions and trade union representatives to the directing bodies of the trade union center of the country

10.2.9. Makes the decision on the description of the trade union and its reforming or merging with other trade unions and cessation of activity

10.2.10. Approves the symbol of the trade union

10.3. The Central Committee of the trade union

10.3.1. Presents and protects the rights and interests of members of the trade union in the USSR Supreme Soviet, USSR government and other State, economic and public bodies

10.3.2. Has the right to legislative initiative

10.3.3. Organizes the activity of the trade union in the period between congresses with respect to fulfillment of their decisions and provisions of the present Regulations.

10.3.4. Works out and puts into effect the program principles of trade union activity.

10.3.5. Renders assistance to trade union organizations and organs in realizing their rights and powers.

10.3.6. Approves the trade union budget of the Central Committee of the trade union, the social insurance fund of the trade union and monitors their execution.

10.3.7. Establishes organs of the press and other information media concerning the activity of the trade union.

10.3.8. Elects the presidium of the Central Committee of the trade union, including the chairman, his deputies and members of the presidium in order to carry out routine work.

In order to monitor the fulfillment of the decisions made, a secretariat of the Central Committee of the trade union can be formed. Its membership and authority is determined by the presidium of the Central Committee of the trade union.

10.3.9. Forms commissions and professional sections and approves their membership.

10.3.10. Convenes meetings when necessary, but no less often than twice a year.

10.3.11. Is subordinate in its activity to the trade union congress. Members of the Central Committee are accountable to the trade union organization which appointed them.

10.3.12. Convenes the trade union conference in the period between congresses when necessary

10.3.13. Determines the periods for holding a congress. Announces the convening of the congress no later than six months before its opening

10.3.14. Makes the decision on entering international trade union organizations and sends its representatives to their organs

10.4. The presidium of the Central Committee of the trade union

10.4.1. Organizes the fulfillment of the decisions of the Central Committee of the trade union

10.4.2. Coordinates the activity of road and territorial trade union organizations in accordance with the Regulations of the trade union

10.4.3. Takes part in the preparation and review, in the USSR Supreme Soviet, government and other central organs, of all questions touching upon the interests of railroad workers and transport construction workers

10.4.4. Concludes agreements with the ministry and monitors their fulfillment

10.4.5. Sends representatives of the trade union to the staff of conciliation commissions and labor arbitration

10.4.6. Organizes and implements the direction of the activity of the staff of the Central Committee of the trade union, technical and legal labor inspectorates and appointed physicians of the Central Committee of the trade union

10.4.7. Monitors the execution of the trade union budget of the Central Committee of the trade union and the social insurance fund of the trade union

10.4.8. Organizes the training of trade union workers and carries out joint measures with the USSR trade union center and interunion bodies

10.4.9. May take part in economic, commercial, publishing and other activity of the trade union permitted by law

10.4.10. The presidium is subordinate in its activity to the Central Committee of the trade union

10.4.11. Meetings of the presidium of the Central Committee of the trade union are held when necessary

11. Audit Commissions of the Trade Union

Audit commissions of trade union organizations of all levels are independent bodies, elected along with the appropriate executive bodies at trade union meetings

conferences or congress for the same period as the corresponding trade union body

Audit commissions are guided in their activity by the regulations on audit commissions approved at meetings, conferences and congresses

Members of elected bodies cannot be appointed to the staff of audit commissions

12. Property and Funds of a Trade Union

12.1. The trade union owns, uses and has at its disposal property and monetary funds belonging to it by right of ownership

12.2. The property of a trade union consists of its buildings, structures, culture-enlightenment, sports-health and other institutions with their equipment and monetary funds, including the funds for solidarity, ensuring the activity of the trade union bodies and financing cultural and health operations

12.3. The right to manage the property and monetary funds of a trade union belongs to the elected trade union organs, and a report is made to the members of the trade union on their use during the year and during the period of authority

12.4. Elected trade union organs use funds to ensure activity specified by the present Regulations and are expended in accordance with the estimates approved by the trade union meetings, conferences and the Central Committee of the trade union

12.5. The monetary funds of a trade union are formed from:

- the incoming monthly membership dues of trade union members;
- receipts from cultural-enlightenment, sports and physical culture measures;
- withholdings and receipts from economic organs;
- receipts from publishing, commercial, insurance and other activity permitted by law;
- donations.

12.6. Dues coming in to the trade union are paid in the amount of 1% of the wages or subsidies received, and from students who receive no subsidies—in the amount of 10 kopecks

12.7. Monthly membership dues are established in the following amounts:

- members of the trade union having a monthly wage or subsidy up to 100 rubles pay 0.5% of the earnings;
- over 100 rubles—1% of the monthly earnings;
- non-working—5 kopecks.

12.8. Through withholdings from membership dues in trade union bodies, the following funds are formed:

- solidarity;
- providing propaganda activity;
- financing cultural and health operations.

The amount of the withholdings for railroad, territorial, rayon and regional trade union committees is established by conferences of the appropriate trade union organizations in consideration of their goals and tasks.

12.9. The trade union congress establishes the amount of withholdings to the Central Committee of the trade union to ensure its activity in consideration of the withholdings for the trade union center of the country.

The procedure for forming and spending the funds is established by statutes on funds, approved by the trade union congress.

13. The Rights of Trade Union Organs as Legal Entities

13.1. Elected trade union organs of primary, united, rayon, regional, territorial and road trade union organizations, the Central Committee of the trade union and the subdepartmental enterprises, organizations and institutions carrying out independent financial activity are legal entities.

13.2. Seals and stamps of a unified pattern, approved by the Central Committee of the trade union, are manufactured by the trade union organ independently.

14. Concluding Provisions

1. The Present Regulations were adopted by the 25th Congress of the Independent Trade Union of Railroad Workers and Transport Construction Workers on 22 September 1990, in Moscow.

2. In exceptional cases, amendments and additions may be introduced into the structure of the present Regulations by the Central Committee of the trade union, making it possible, in accordance with an efficient procedure, to take into consideration the nature of the processes and changing circumstances taking place in the sectors.

The additions and amendments should not run counter to the basic principles of the Regulations and are subject to review at the next trade union congress.

The original Regulations of the trade union, with the signatures of members of the presidium of the congress, are retained in the Central Committee of the trade union. The chairman of the Central Committee of the trade union bears the responsibility for the preservation of the Regulations.

New Association To Aid Electronic Exchange of Transport Documentation

914H00504 Moscow GUDOK in Russian 23 Nov 90 p 3

[Unattributed article: "There Is Such An Association—PEPI"]

[Text] The Association for Electronic Information Transmission Users (PEPI) was established on 19 July 1990 for the purpose of broadly introducing within the USSR paper-free technologies for disseminating transport and trade documents using inter-machine information transmission in accordance with international standards (the electronic exchange of information in administration, trade and transport).

The stimuli for an accelerated transition to paper-free technologies in the industrially developed countries are the formation of a Common European Market with its free travel of goods, services, capital, and manpower across borders by the beginning of 1993 and, this is of no small importance, the active support and subsidizing of the systems by the governments of the Western European countries. After the formation of a Common Western European Market (18 countries) at the start of 1993, our lagging behind in the electronic exchange of information will threaten losses in our competitiveness, especially when transporting the cargo of foreign charterers.

The PEPI association must solve three basic problems in order to shift to paper-free technologies for transmitting information: insuring reliable and inexpensive communications, which must correspond to international requirements for insuring interaction with similar functioning foreign data transmission networks, between the computer partners who are participating in the shipping process; establishing an electronic information exchange service (this is necessary not only to transmit information but also to teach the computers, which are participating in this process, to understand each other. Inter-machine transmission requires strict standard electronic texts for commonly accepted business information to be used by all interacting organizations abroad); and developing and introducing standard document forms that correspond to the requirements of the standard based on functioning information computer networks and systems.

The association of transport workers, customs and other interested organizations and enterprises, which has been established in the USSR for the first time, will permit the road, which took foreign firms 8-12 years to travel to be covered in the very short time of two - three years.

The PEPI association will help enterprises and organizations to participate actively in establishing and introducing an electronic information exchange system; organize and coordinate the work to introduce and use international standards that have been approved by the United Nations for the transmission of information between machines; provide, in coordination with the

organizations that are providing net work services, technical assistance in acquiring mathematical and technical support for the operations of organizations using the international standard; complete the development and introduction of plans, protocols and agreements between the data exchange partners; and organize the training of users working on introducing an inter-machine information exchange system.

The association is prepared to accept your organization as a member of the association. This will help you to solve problems in the information transmission area both in the USSR and abroad. If you do not want to be isolated from the business world by 1993, use the services of the PEPI association.

The telephone numbers for information in the city of Moscow are 926-82-24, 927-81-78 and 151-22-04.

USSR Railroads Equipment Inventory Highlighted

914H00454 Moscow ELEKTRICHESKAYA
TEPLOVOZNAYA TYAGA in Russian No 10, Oct 90
pp 7-9

[Materials from the Statistics Administration of the Ministry of Railways: "Technical Equipment of the Railroads: Facts and Figures"]

[Text] The overall technical state of the country's basic railroad transport services cannot help but be of interest to engineers and their assistants. After all, in the process of their work, they must continually evaluate the results of the work of the track men, signal men, car men, traffic men and representatives of other occupations. The journal attempts to answer the numerous questions of its readers through the survey published.

Two-thirds of the share of the freight turnover in the country and 45% of the passenger transport fall to the share of the railroad workers, and at the same time they have at their disposal only one-third of the fixed productive capital for all types of transport. During the years of Soviet power, the transport volume rose almost 50-fold, but the extent of the railroads grew by less than 2-fold. Over 11 million tons of freight and 12 million passengers are transported daily along the railroads of the USSR.

The value of the fixed capital of the Ministry of Railways at the start of this year was over 145 billion rubles. The proportion of capital investments in railroad transport in the 12th Five-Year Plan is 2.7% for the national economy (in the 11th Five-Year Plan—2.9%). In the last four years, 27.6 billion rubles have been spent to develop the railroads.

The total volume of capital investments, as against 1985, increased by 18.3%. Because of the redistribution of funds for development of the social sphere, however, expenditures to develop the locomotive, transport, electrification and power engineering services were cut. Expenditures for capital construction of new lines was

cut by 16%, and of secondary tracks—by 29%. Compared with 1985, the expenditures to purchase all types of rolling stock have increased by 13%, but much less equipment has been obtained than in the 11th Five-Year Plan. This is because of the sharp rise in the price of rolling stock. For example, in 4 years the average price of an electric locomotive rose by 35%, a mainline diesel locomotive by 27%, a passenger car by 30% and a boxcar by 33%.

Locomotive Equipment

ETT No 7 for 1990 gave a quite detailed report on the troubles of the network's locomotive workers in the current five-year plan, but there are certain points that were not sufficiently reflected in the issue. For example the price of new locomotives: the wholesale cost of a VL15 freight electric locomotive was close to a million rubles, of a ChS7 passenger locomotive—over a million, and of a ChS8—almost 1.5 million rubles.

In the current five-year plan, 259 million rubles were spent for capital construction of objects for production purposes of the locomotive service. The relative proportion of the cost of the locomotive fleet in the fixed capital of the Ministry of Railways is 20%, and the proportion for operating expenses—35.5%. The number of new electric locomotives in the inventory was only 23%, which is clearly inadequate to improve operations work.

The repair base of the locomotive equipment was expanded through renovation and construction of new shops at existing depots. The following electric locomotive shops were put into operation: TR-3 at the Ilansk I, Tayga, Zima and Tikhoretsk depots; TR-2 at the Smolyaninovo, Perm-Classifying, Bekasovo, Samtredia and Magdagachi depots; TR-1 and TO-3 at the Uzbekistan, Chernyshevsk, and Tselinograd depots; TR-3 of diesel locomotives—at the Volnovakha, Bendery and other depots. The sections' capacity for producing TR-3 and TR-2 routine repair of multiple-unit rolling stock for the network is inadequate.

In 1989, the number of mechanized sites for rolling stock repair increased by 11%; on the average, each depot has one flow line. At depots such as Rybnoye, Krasnyy Liman, Moskovka, Georgiu-Dezh, Barabinsk and Solvychegodsk, mechanization of repair work is at a very high level, which makes it possible for these depots to have a steady reduction in the length of down times for locomotives for all types of repair. The number of technical service centers increased by almost 8%, but only 60% of their total number are in enclosed facilities.

On the whole for the network, the repair base ensures routine repairs for locomotives, particularly those of the electric locomotive fleet, in order to improve the throughput capacity of the railroads by running heavy and long-consist freight trains.

Electrification and Electrical Supply

The value of the fixed capital for this service is 4%, and the proportion of operations expenditures is about 3%. Some 911.3 million rubles were spent for capital construction of power engineering objects in the 4 years of the five-year plan. Last year, the Arys-Chu (130.5 km), Vapnyarka-Kotovsk (120.8 km), Nizhneangarsk-Chara (101.5 km) Zhmerinka-Vapnyarka (90 km) and Rybnoye-Uz'novo (68.9 km) sections were electrified. After this, the extent of the electrified routes was 53,900 km, or 36.6% of the length of the network. The new lines are mainly being electrified with alternating current.

The developed length of the contact-wire system is 149,500 km, including 73,300 km using alternating current, 2,086 traction substations and 1,325 contact-wire network regions. Some 2,035,200 contact-wire network supports have been installed.

All the traction substations, section posts and parallel connection points are automated, and the total extent of telemechanical devices is about 45,000 km. Computer-based information-control complexes have been put into operation on the Donetsk, North Caucasus and South Urals roads to increase the efficiency of the electrical control devices.

Low-alloy contact conductors with an additive of tin, with high thermal stability, as well as heat-treated continuous bronze conductors with higher temperature heating, without reducing their strength, are being widely used.

On the whole, the technical level of the contact-wire network devices is quite high, but at a number of junctions we are still second to foreign achievements in this sphere.

Repair Yards

In the current five-year plan, 465.8 million rubles have been spent for capital construction of a repair base for rolling stock repair yards and for spare parts production. The increase in the technical equipment comes from renovation and widespread use of highly efficient technology in production.

As of the beginning of 1990, 109,100 new equipment units have been installed. Twelve automated and semi-automated lines are in operation at the yards. The number of machine tools with digital program control increased to 693 units. The proportion of imported machine tools is scarcely over 3%.

In 1989, 59 new woodworking tools were installed, and the amount of electrical engineering equipment was increased by 167 units. Despite the considerable intensification of technical outfitting, however, the yards have not yet been able to increase their product output.

Industrial Transport

PPZhT [industrial railroad transport enterprises] transported 708.6 million tons of freight in 1989 alone, and the volume of loading-unloading operations was 423 million tons, which are higher than the 1985 levels by 26.5% and 15% respectively.

Last year, 28.1 million rubles were spent for PPZhT development, and 28 million rubles to acquire rolling stock and track machines. The developed length of industrial railroad transport tracks was 8,800 km, including 2,100 km with type R-64 rails and heavier, and 2,900 km of R-50. One-fifth of the tracks were laid on reinforced concrete ties.

PPZhT railroad tracks have a total of 1,000 kilometers of defective tracks, 1,600 defective ties and 2,500 sets of faulty switch assemblies.

During the years of the five-year plan, the diesel locomotive fleet of the PPZhT (1,979 machines) increased by 26%, and there are 11 electric locomotives in this service.

The average listed number of workers is 54,100 persons, and the average monthly wage is 306 rubles.

Track Installations

During the 4 years of the current five-year plan, 294 million rubles have been spent to develop track installations (2.7% of the total volume for capital construction for production purposes). The proportion of technical devices for this service in railroad fixed capital is half of their value, and over 20% is in operating expenditures. The operations length of the network in the last years of this five-year plan increased by 1.7% and is 147,400 km, of which 52,500 km are double track and 1,100 km are triple-track lines and over.

Thermally strengthened rails are laid on the network's principle mainlines, with the average weight of one running meter reaching 62 kg. Almost one-third of all the main tracks are laid on reinforced concrete ties, with strings of continuous rail. The extent of main tracks using heavy ballast is 90%. Type R-50 and R-65 rails are mainly laid on station tracks. The number of crossings with movable points increased 11-fold in the 4 years (4,500 units).

In the current five-year plan track installations have been undersupplied over 2,000 km of rails, almost 16 million wooden ties, 25,000 sets of switch and crossing ties and 34,000 cubic meters of bridge ties. The fleet of track machines, 30% of which have exhausted their service life, is in deplorable condition. This is particularly true of track-laying cranes, motor flatcars and crushed rock-cleaning and removing machines, as well as track measuring devices and rail testing cars. Industry constantly disrupts supplies of track equipment for the railroad workers.

The number of workers in track installation is steadily being reduced with no appropriate compensation with

means of mechanization. For example, in 1989, the number of filters in routine track maintenance was reduced by 10.1% over 1985, and the developed length of main tracks being serviced by a single permanent-way district increased by 1.9% and of station tracks—by 3.9%.

In 4 years, the number of motor vehicle crossings on the railroads has been reduced by 7% and at the beginning of 1990 there were 24,500 of them. During this time, guards were eliminated at 4,000 crossings. The number of unguarded crossings rose to 75% of the total number.

The length of track with an unsatisfactory evaluation at the beginning of 1990 was 10,100 km, with clogged ballast—5,600 km, with defective rails—7,800 km, switch assemblies with various defects—36,900, prolonged speed restrictions 5,900 and the total extent of track with warnings was 7,500 km.

Therefore, the technical state of the track installations is to a certain extent holding back the efficient work of railroad transport.

Transport Services

In the past years of the five-year plan, 783 million rubles were spent on the development of this service (7.1% of the total expenditures for capital construction for production purposes). The extent of station and special tracks increased, on the average for the year, by 1,000 kilometers, and now constitutes 96,000 km (65% of the operating length of the network). There are 5 entry-exit tracks on the average for each operating control point with track development. Tracks from 850 to 1,049 meters long are usually laid at stations.

The largest number of entry-exit tracks with an effective length of over 1,050 meters and classifying tracks—over 1,000 meters—is found on the Tselina, West Siberian and South Urals roads, which has made it possible for them to achieve the greatest increase in the average weight of a freight train. At the same time, where not enough attention is paid to extending station tracks (Transcaucasus, Lvov, Moscow, October and other roads), the average weight of a freight train is lower than that assigned.

The number of classifying humps rose by 14.4%, and the number of classifying tracks—by 4.8%. There is an average of 32 tracks per hump. One hundred of the most important stations have 129 humps, 110 of which are mechanized. So far 11 humps are operating with automatic control. Some 71.4% of the switch assemblies have all-electric interlocking. Teletypes for train approach information have been installed at 2,000 stations.

The level of technical equipment at railroad junctions is still inadequate, however, which holds back a rise in the throughput capacities of the railroads and increases freight delivery periods, since the time spent by the cars at the stations is still over one-third of the turnover time.

Car Service

During the years of the current five-year plan, the Ministry of Railways has been supplied with 255,000 new freight cars. The relative proportion of the cost of the freight cars, including refrigerator cars, in the fixed capital of the railroads is 15.5%, and in operating expenditures—16.5%. At the same time, the rates of freight car supply are being reduced for all types.

By 1990, 11 new car depots, 15 technical service centers for cars, 4 washing-steam-cleaning stations and a center for tank car preparation and 946 devices for contact-free detection of overheated axle-boxes (PONAB, DISK-B) will have been built on the network. The number of centers preparing gondolas and flatcars dropped by 6%, but the work of the remaining ones has increased, because of their increased capacity.

The level of repair work mechanization at car depots, however, is only 45%. Hence the poor state of the network's car fleet, which often has an adverse effect on train traffic safety and safeguarding of the freight transported.

Passenger Service

Since the beginning of the five-year plan, the railroads have transported 17.4 billion passengers. During this period, the Ministry of Railways has supplied 11,476 passenger cars for the most varied purposes. At the same time, the stock of available cars dropped by 2.5%, while passenger turnover for long-distance travel increased by 11.2%. The largest relative proportion of the fleet is made up of uncushioned open cars—45% and uncushioned compartment coaches—28%. Some 81.2% of the passenger car fleet is used to transport people, and the rest are dining cars, baggage, mail and other cars. The service life—over 28 years in operation—of 10.2% of the country's fleet has elapsed.

The maximum number of passengers are transported in suburban service (90% of the total number), including 80% by electric trains. The increase in the fleet of motorized unit rolling stock, however, is lagging behind the growth rates of passenger turnover in suburban traffic. The need of the railroads is over twice that of the supply. One cannot help but say that one-fourth of the fleet of motorized-unit rolling stock has been in service for over 25 years, and almost 1,000 cars of SRZ electric sections—for over 30 years.

In addition to the cars allotted to the passenger complex system in 1986, the individual subsector includes 827 stations, 11,000 operating control points offering services for passengers, and 69 passenger depots. In the last 4 years, the number of operating control points selling tickets and accepting baggage has been reduced by 4% due to lack of personnel. About 400 stopping points have no boarding platform or shelter from bad weather.

Sixteen stations have introduced an automated control system to sell tickets and reserve seats on the long-distance Ekspres-2 train. Baggage is mainly processed by hand. On the average, there is one battery-charged loading device for 18 operating control points, one truck tractor—for 7 and one electric battery truck—for 4.

To clean the areas, there is one sprinkler machine for every 8 stations, one motor scooter for every 3, one sidewalk cleaner for every 2, and 78 snow clearing units for the entire network. Some 1,460 tons of bed linen must be washed daily, and the productivity of the existing laundries is not over 800 tons.

Therefore, the passenger complex is so far unable to provide passengers with the necessary level of service.

Subways

In the 4 years of the five-year plan, the subways have transported 19.1 billion passengers. Half of this volume falls to the share of the Moscow Subway. Some 2,773.3 million rubles have been spent for capital construction of subway projects during this period, and 120.6 million rubles to purchase new cars.

The extent of the subway lines operating in Moscow, Leningrad, Kiev, Kharkov, Baku, Tbilisi, Tashkent, Yerevan, Minsk, Gorkiy, Novosibirsk and Kuybyshev is 495,900 km. Type R-50 rails and those similar to them in weight have been laid on 91.8% of the main tracks. The rest of the rails are type R-65. Wooden ties are mainly laid on the main tracks (98%). Some 4,385 automatic control points and 5,917 automatic change machines have been installed for passenger throughput to the subways.

Cars produced in 1956-1963 are still being operated on the subway tracks (6%). In the 4 years the plants have supplied 1,172 cars, but the plan for them was only 94.1% fulfilled, and rolling stock which has worked out its service life is therefore being operated.

Automated train control systems are being increasingly widely used, and this has made it possible to transfer their operation to a single individual. An automatic blocking system, with automatic locomotive signalization and automatic speed regulation has been introduced to increase traffic intensity to up to 42 pairs of trains an hour.

Even though the subways hold the leading place in the construction of new lines, these rates cannot keep up with the increased transport volume, and the passenger service standard is therefore low, particularly on the Moscow subway.

Signalization, Communications and Computer Equipment

In the 12th Five-Year Plan, 682.8 million rubles have already been spent for capital construction of objects for this complex service. At the beginning of this year, the extent of railroad lines with automatic blocking and

centralized traffic control constituted 99,300 km. Last year automatic blocking was introduced on the following sections: Nizhneangarsk-Chara (345.5 km), Tydna-Urgal (153.7 km), Olevsk-Korosten-Berdichev (128 km), Uzlovaya-Plekhanovo (90 km) and others. Centralized traffic control appeared on the sections of Sonkovo-Bologoye-Pechory-Pskovskiy (450 km), Kotovsk-Podgornaya (142 km), Chernigov-Yanov (112 km), Osokorovka-Solotichi (98 km) and others, a total of 1,045 km.

In 1989, the extent of intercommunicating-technological lines of all types had been increased. Some 98,600 km of track were equipped with automatic locomotive signaling. Some 96.1% of the network was provided with train radio communications. Some 92,000 radio units were installed on tractive-powered rolling stock. There are 42,500 stationary and 164,600 portable radio units for intercommunicating and technological lines for the workers in various services at stations and depots. Over 300 radio units have been installed on passenger trains for communication between brigade leaders and locomotive engineers.

At the beginning of 1990 the computer park constituted 469 YeS machines, 829 SM and 5,027 personal computers. Of the 100 crucial classifying stations in the ASUSS system, 73 were equipped, and out of the 158 inter-road junctions 144 were automated, with continuous car counting carried out by using computers.

The efficiency of using computer equipment is being held back by the shortage of personal computers and the poor quality of their manufacture and by limited supplies of teletypes, ticket-office equipment and magnetic disks and tapes.

The editors hope that the survey published will make it possible to present the state of the railroad industry more completely to locomotive brigades and repair workers. We intend to continue publishing similar informative articles in the future.

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Passenger Railcar Specifications Noted

914H0045B Moscow ELEKTRICHESKAYA I
TEPLOVOZNAYA TYAGA in Russian No 10, Oct 90
pp 32-33

[Article by I.F. Pastukhov and V.V. Pigunov, candidates in Technical Sciences, BelIzZhT [Belorussian Institute of Railroad Transport Engineers]: "Passenger Cars"]

[Text] Passenger cars, made up into a train with locomotive traction for speeds up to 160 km/hr, serve long-distance, international and local transport. These consist of non-compartment sleeping cars (52%), compartment sleeping cars with hard or semi-hard couches (34%), cushioned sleeping compartment cars (3.6%), more comfortable compartment sleeping

cars (2.3%), cars with arm chairs (6.6%), mail, baggage, mail-baggage, dining cars and special cars (1.5%). They are divided into three classes with respect to the comfort level: first—cushioned compartment (PM), second—hard compartment or semi-cushioned (PK), cushioned with arm chairs (PO) and third—non-compartment sleeping (PN).

The majority of the units listed are made up of non-compartment sleeping cars of the TsMVO-66 type (1966), and also models 61-425 (1981) and 61-821 (1983), built by the Kalinin Car Building Plant. This plant also produces mail cars (models 61-516 and 61-514), baggage cars (model 61-517) and cars with arm-chairs (models 61-423 and 61-837). The hard compartment, cushioned-hard, cushioned and dining cars are imported to the USSR. Some of the cushioned, baggage and baggage-mail cars were formerly built at the Plant imeni Yegorov in Leningrad.

Since the service life of passenger cars is 28 years (it was formerly 41 years), cars built as far back as the mid-1950's, as well as those built today, are in operation. This means that bogies of types TsMV (1950-1960), KVZ-5 (1960-1961), KVZ-TsNII (1962-1985) and KVZ-TsNII-M (1986) can be used under passenger cars. Each of these bogies has its own special structural features, which must be known in order for possible defects to be revealed promptly.

For example, the TsMV bogie has a spring-mounted beam and elliptical springs with central suspension, but has no hydraulic vibration damper (the spring serves as both the flexible element and the vibration damper), nor longitudinal guide rods connecting the suspended beams with the frame (their car bodies rest on the center bearings of the suspended beams, and not on side radial blocks, as on the KVZ-TsNII bogie). On a KVZ-5 bogie, the central spring suspension is made of cylindrical springs, which work only as flexible elements (shock absorbers). Therefore, the hydraulic vibration dampers are provided for in the body structure. There are no longitudinal guide rods either, since with these bogies the body also rests on the center bearings.

Cars on KVZ-TsNII bogies rest on flexible horizontal side radial blocks, and therefore, to transfer the tractive forces from the body to the bogie and prevent the skewing of the suspended beams on curved track sections, they have longitudinal guide rods. All these bogies have a different structure for the bolster webs (centrally suspended spring plan's) and safety devices, which should be inspected with particular care. On TsMV bogies they are combined with the protective stirrups of the spring beams, on KVZ-5 bogies—they are made in the form of stirrups, and on KVZ-TsNII bogies—in the form of bolts. The bolt nuts of the safety stirrups (of all the elements of the bogie) must be cottered.

The bodies of all types of passenger cars are made with a unified standard structure, 23.6 m long, and differ only

in the arrangement of the frame. Bodies for non-compartment, cushioned, mail and baggage cars of domestic production, as well as those of Polish non-compartment cars, have a frame with a continuous backframe, and the bodies of hard compartment cars, cushioned cars and dining cars made at German and Hungarian plants have a frame without a continuous backframe. The backframe in these cars is placed only on the underframe extension.

Externally, the cars also differ in the sheeting of the roof and the structure of the flexible gangways. Cars with a continuous backframe have corrugated roof facing, and without it—smooth. Up until 1962, domestic plants, as well as plants in the GDR, Poland and Hungary built cars with flexible gangways, in which buffers with consecutively placed springs were used as the lower spring shock absorbers.

From 1962 on, passenger cars began to be produced without buffered spring gangways. This type of gangway consists of a metal frame, spring shock absorbers, laminated springs and a hinged panel, which, on an uncoupled car, is fixed in the raised position by a special handle. The space between the frame and the end wall of the car is enclosed by a metal gangway bellows. On top, the frame rests on a laminated spring, hinged to the wall of the car. The gangway is designed to be compatible with buffered and unbuffered cars. On the lower section of the frame are welded flat shaped plates, which are connected to the rods of the spring shock absorbers, acting as buffers.

Metal barriers are provided for the passengers to go safely from one car to another. Modern passenger cars have a flexible gangway, with a gangway bellows made of frost-resistant rubber, which provides greater tightness of the joints and is at the same time good sound-insulating material. This gangway has no laminated springs with hinged joints, but has spring shock absorbers (cotters) and a panel, just like the bufferless gangways with the metal gangway bellows.

The bodies of passenger cars are very strong. Dents and punctures rarely appear on their outer sheeting, and then only due to incorrectly performed shunting operations. The main damage to the bodies stems from corrosion, since they are made of carbon steel (plating—20 kp steel, reinforcing elements—15 kp steel, supporting elements—VStZkp steel, frame—low-alloy steel 09G2D). Carbon steel is used in the bodies of cars built in the USSR, GDR and Hungary, and in Poland—low-alloy steels 10KhNDP and 18G2SD.

The service life of these bodies depends on the quality of the paint-and-varnish coatings, and is about 6 years on the average. In connection with this, through corrosion damage appears after 8-12 years of operation in the bracket parts of the floor, and after 16-20 years, in the central part of the floor and on the lower braces of the side walls. This situation made it necessary, beginning in 1966, to increase the thickness of corrugated floor sheets

from 1.5 to 2 n.m. and of smooth ones from 2.5 to 3 mm. and the thickness of the roof sheets from 1.5 to 2 mm. This structure has remained unchanged to the present day. The development, by the Kalinin Car Building Plant, of a new passenger car (model 61-836), which has stainless steel laid in the floor and lower braces of the side walls, is fundamentally solving the problem.

The corrosion damage enumerated has no effect on the traffic safety of the trains. There are, however, elements in the bodies which are a threat to passenger safety and the operation of the car. These must be known and measures taken to prevent them. The gangways along the ends of the cars may have bent frames, broken springs, bends of the panels and barriers, and damage to the rubber gangway bellows. Cars with a defective gangway or barrier that threatens passenger safety must not be operated.

Aprons that are very bent and covered with ice in winter may cause accidents. All these defects must be reported to the train chief. Faulty running gear, brakes and electrical equipment can be a great danger for train traffic. On passenger cars, the distance from any part of the under-car electrical equipment to the railhead should be at least 100 mm. Therefore, the fastening of the under-car generator, the reducing gear of the cardan shaft transmission, the box of the high-voltage chamber and the storage batteries and their latches must be inspected from outside the car.

Car inspections have established that a weakening of the bracing and shift of the reducing gear on the axle of the wheeled pair may occur on the drive of an under-car Stoun generator (VR [Republic of Hungary]), and on YeYuK 160/1M (GDR)—wear of the rubber shock absorbers of the suspension of the reducing gear from the frame of the bogie, curvature or fracture of the hot-water tank suspension, and weakening or breaking off of its fastening bolts. When the flat-belt drive is inspected, attention must be paid to the presence of the cotter pin of the castellated nut of the pulley. If it is not there, the nut can unscrew, and the pulley fall on the track, which will lead to an accident. With belt-reducer-cardan drives, a check must also be made for the presence of cotter pins of the driven pulley, the suspension roller of the reducing gear and the suspension bolts of the generator.

When inspecting the car's brake equipment, the engineer of the locomotive is obliged first of all to check the state of the brake blocks. If the block is fractured, slipping off the rolling surface of the wheel over 10 mm, or is less than 12 mm thick in the middle part, or if there is no stop cotter pin holding the cotter of the brake block in the shoe, this car should be excluded from operation. Impermissible on an operating train are: shutting off the disconnecting valves of the connecting sleeves of the main brake line, and absence or fracture of the safety stirrups of the brake beams, the suspended beam or the swing bolsters of the central brake step of the spring suspension of the bogie.

In cars with the old TsMV type of bogies, the spring beams may bend or crack. There may also be cracks in the spring plank groups of KVZ-5 and KVZ-TsNII bogies, as well as in the fastening brackets of the hydraulic vibration dampers of the spring planks and their upper plates in the area of the center bearings. Bogie frames may have damage to the welds and cracks in the longitudinal and transverse beams. It should be borne in mind that cracks and fractures in the parts of the bogies as a rule arise in places where there are sharp transitions along the thickness of the metal, at angles and bends. All of these defects are accessible to external examination, and can therefore be detected by the locomotive brigade, which must take every measure for safe running of the passenger train.

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Public Transport Price Increases Viewed

914H0012A Moscow *IZVESTIYA* in Russian 11 Oct 90
Morning Edition p 2

[Interview with V. Pryadko, chief of the Finance Administration of the USSR Ministry of Railways, by I. Taburyanskaya: "The Market and Prices for Transport"]

[Text] Will traveling on the subway, electric trains and long-distance trains be more expensive because of the transition to market relations? V. Pryadko, chief of the Main Administration of Finances of the USSR Ministry of Railways, answers these questions.

[Taburyanskaya] Well, Viktor Fedorovich, what are the predictions? What awaits passengers and consigners next year?

[Pryadko] You realize, of course, that this problem has not yet been conclusively solved. This is the prerogative of the USSR Supreme Soviet. The suggestion, it seems, however is: to raise the tariffs for freight transport by 25 percent, and for passengers—by 50 percent.

[Taburyanskaya] Is this the proposal of the MPS [Ministry of Railways]?

[Pryadko] No. As far as passenger transport is concerned—it is the position of the government. With respect to freight tariffs—it is the opinion of USSR Goskomtsen [State Committee on Prices]. The directors of our ministry have a different opinion. According to the calculations of specialists, with the adoption of these tariffs, no matter how small they are, railroad transport will inevitably go on the market with a deficit of several billion rubles.

[Taburyanskaya] Your proposals?

[Pryadko] Since there is no guarantee that the sector will be allotted the necessary subsidy from the State budget and will retain the rigid State prices for the products supplied to the railroad workers by other sectors (locomotives, rails, ties, etc.), there is only one way out.

Transport should not only pay for itself, but should also yield a certain profit. This is possible when a flexible system of tariffs is used, of course, under State control.

[Taburyanskaya] The danger of endless price inflation is concealed here, though.

[Pryadko] No. It is not profitable for us to raise tariffs excessively—after all, we transport what we need ourselves—for example, fuel, the cost of which is also increasing, and we must buy it There is a direct relationship here, and it is therefore expensive for us to play the role of robbers. In the second place, if a certain percentage of profitability is established for our sector, it will be a guarantee that the tariffs can increase to a strictly limited level and will correspond to the increase in prices for the products used by railroad transport.

[Taburyanskaya] If I have understood you correctly, the railroad workers want to renew the State of the subsidy for it, and suggest to all those participating in the transport process that they contribute their mite to the maintenance and development of this all-State sector in the form of higher and differentiated prices for their service?

[Pryadko] You are completely correct. I am sure that in a few years these expenditures will be repaid with interest.

[Taburyanskaya] All the same, let us talk about the passengers, about the everyday, rank-and-file...

[Pryadko] Payment for a trip will undoubtedly increase. Whether it will be a 50-percent increase or something else will be known precisely at the end of the year. It will happen, though. This is a natural condition of the transition to market relations. I foresee reproaches for it: they will say I am protecting the departmental interests. Judge for yourself, though: the last time passenger tariffs for railroad transport changed in the direction of an increase was in 1946! Up to now, suburban service costs a passenger one kopeck for 10 kilometers, and the railroad workers suffer a loss of 330 million rubles a year from this. If you leave the tariffs unchanged, next year the entire passenger complex will bear a 2-billion ruble loss. What kind of service can we talk about? This means that, no matter how paradoxical it sounds, the passengers also have an interest in raising the tariffs: the more you pay, the better you travel.

[Taburyanskaya] Will the privileges for the passengers be retained?

[Pryadko] When the USSR Council of Ministers adopted a decree on establishing privileges for pensioners and other categories of citizens last year, no one even thought about who, strictly speaking, would pay the railroad workers for all these trips? After all, the sector's losses, I emphasize, the sector's, and not the State's, from the privileges established exceed 800 million rubles.

It is probably more sensible and fair, I would say, to go as partners, to be done that way. If some department or

enterprise feels that his workers should use the privileges for a trip, certainly, let them use them. Railroad transport should be compensated for this, however. Let the public prosecutor's office or the MVD [Ministry of Internal Affairs] pay for their followers, the Ministry of Defense pay for the cadets and soldiers, the local or city Soviets—for the pensioners and disabled persons, etc.

[Taburyanskaya] What will happen to the "five-kopeck" subway?

[Pryadko] Its financial situation is difficult. The "five-kopeck" fare will never pay for the tremendous expenditures to build and operate the subways. You know very well that the cost of passenger transport is much higher than five kopecks. In Moscow it is 12.6 kopecks, in Sverdlovsk—38.02, in Gorkiy—23.6, etc. Today the subsidy for the subways is allotted through deducting from the profit of the railroads. Beginning on 1 January 1991, a common tax on profits will be introduced, and the work collectives of the railroads will never agree to withdrawal of income over the established amount. No collective will stand working for itself at a loss. The city and republic soviets should take this into consideration. We think that they should take part in financing the subway.

MARITIME AND RIVER FLEETS

Water Transport Workers Trade Union Meets

Platform Published

904H03004 Moscow VODNYY TRANSPORT
in Russian 1 Sep 90 p 2

[Platform of the Federative Independent Trade Union of Water Transport Workers; approved 15-17 August]

[Text]

The Present Moment and the Trade Union

At this moment the trade unions are experiencing the process of perestroika, which, having touched all layers of society, has given a powerful impulse to democratic reforms and expansion of glasnost. A consolidation of progressive forces is in progress, aimed at creating a humane, democratic social structure in the country.

The trade union of water transport workers, under the conditions of the reforms taking place, is on a path of renewal, advancing, as their chief task, the protection of the legal rights and interests of seamen and river workers.

This process is taking place in a very complex way, however. The workers are expressing dissatisfaction with the solution of the social problems in the sector. They are disturbed by the gross violations of the rights of the work collectives and individual workers permitted, which intensify the disbalance in the consumer market, the growing shortage of consumer goods, the slow rates of

carrying out the housing program and problems of unemployment, ecology and public health.

Under the conditions of the command-administrative system of leadership in the country, the trade union and its elected organs have not been able to ensure completely the protection of the interests of individual categories of workers in the sector. This has given rise to just criticism. The lack of efficient levers to solve urgent problems, as well as the right of legislative initiative, the strict limits on financial and organizational activity and orientation toward the political and economic structures have made it impossible for the trade union to become a true spokesman for the interests of its members. All this has led to a crisis of confidence in the structure and traditional methods of the work of the trade union.

The trade union of water transport workers, in following the path of updating it and building its activity on principles of federalism and independence, is putting forth as its fundamental principles a decisive renunciation of:

Giving the trade union State status, including participation in organizational-administrative activity related to economic functions:

An authoritarian-bureaucratic system in work and hierarchical dependence, using norms of democratic centralism and regulation of the activity of the trade union organizations, including financial.

The activity of the trade union will ensure:

- the voluntary nature of entering the trade union and free departure from it;
- equal rights of all members of the trade union;
- collectivity in the work of the directing organs and their accountability to member organizations;
- the right of the minority to try to vindicate its position.

The Program Goals of the Trade Union

The basic task of the trade union is to protect the rights, socio-economic and professional interests of its members entering one of its organizations, in consideration of the specific nature of their work, age, sex and other features.

Because of the fact that a reliable basis for social progress can be created only by democratizing economic relations and true liberation of the initiative and business activity of the workers, the trade union comes out for granting enterprises independence and the freedom of entrepreneurship and competition; separating direct State control from economic activity.

With the transition to market relations, the trade union, in the sphere of labor, employment, wages and social guarantees, interacting with the organs of State authority

and economic management, public associations and movements and other USSR trade unions, will achieve:

- protection of the social rights and interests of the workers, with introduction of a mechanism of State regulation of market relations;
- creation of an efficient system to provide employment, job placement and occupational retraining at the sector's enterprises and compensatory payment in a period of temporary unemployment;
- compensation for the population for additional expenditures related to increased retail prices for goods and services, introduction of a flexible system of indexing the income of the population, and its increases, depending on the rise of consumer prices;
- realization of the right of each member of the trade union to work with a guaranteed wage in accordance with the amount, quality, conditions and specific nature of the work, depending on the economic results of the activity of the enterprise, as well as in accordance with the requirements of labor legislation and calculation of the established subsistence wage;
- adoption of normative documents for labor, drawn up by the directing and sectorial organs, of only a recommending nature;
- revision of the procedure and norms for payment of foreign currency to crew members of ships sailing in foreign waters for their fulfillment of overtime work;
- formation of requirements for labor, employment and wages for inclusion in general or other agreements and collective agreements with economic organs;
- ensurance of safety and normative labor conditions in production, monitoring the course of administrative certification of work places, informing workers about the results of instrument measurements of the state of the air environment and other parameters and their conformity to the norms, and requiring work places not meeting the norms be re-equipped or closed down;
- revising provisions regulating work time and leisure time for the sailing personnel;
- establishing the length of the work week as 40 hours, with wages unchanged;
- establishing the yearly leave for the sailing personnel as 30 calendar days, in accordance with the requirements for international standards, and for other categories of workers—coincident with their wages.

The trade union requires that there be established, through the enterprise:

- a one-time substantial compensation to the family of a person who has died at a production facility and to a person who has been professionally incapacitated

because of an accident or occupational illness (the amounts of the compensation are to be specified in collective agreements).

—additional pay to workers for harmful and dangerous work conditions, determined in accordance with the results of certification of the work places (the amount of additional pay is to be established by a collective or individual agreement).

The trade union will carry out work to intensify the role of the trade committees and technical inspection to ensure prevention of injury in the fleet, at the ports and industrial enterprises, to train each worker in safe work methods and survival under extreme conditions, to monitor the planning, construction and acceptance of ships and other objects, their conformity to safety requirements, sanitation norms and environmental protection; maintain the sectorial status of technical inspection of labor, in consideration of the practical need for centralized coordination of its action, when examining the designs for items in related sectors, participation in interdepartmental tests of machinery and mechanisms and investigating accidents, regardless of the work place of the victim.

The trade union will achieve a just provision of workers' benefits for state social insurance and pensions, including those for hazardous and heavy work conditions; introduction of insurance for ship crew members, and also individual insurance for workers through insurance dues from enterprises, State withholdings and their own funds. The right remains to leave at the disposal of the work collectives and trade union committees the funds saved from reducing the sick rate, and for their subsequent use for the development and expansion of a network of specialized therapeutic-prophylactic institutions and material incentive for workers who have achieved the greatest positive results in health protection.

In close interaction with public health organs, the trade union will participate in improving the health protection of water transport workers. On the basis of agreements with the USSR Ministry of Health and those of the union republics, the principles of the priority of assistance for water transport workers and members of their families will be retained in sectorial medical institutions; organization of an All-Union Medical-Sociological Center for health protection of seamen and river workers, specialized regional medical-rehabilitation centers for sailing personnel and workers in heavy and hazardous occupations, as well as centers to give first aid at sea through radio consultation will be achieved.

The trade union will intensify the role of trade union committees in the comprehensive study of social programs for each enterprise and shipping company, permitting no deviations in the infrastructure, and particular attention will be paid to programs related to

ensuring the safety of human life, children's preschool institutions, cultural and educational and sports projects.

Members of the ZhSK [housing construction combine] and individual builders will be assisted in putting benefits and advantages into effect. Monitoring and glasnost for fair distribution of housing area among those needing it will be ensured. The trade union will express a lack of confidence in persons responsible for violating housing legislation and for abuse.

Under the conditions of a rise in prices for foodstuffs and industrial goods, the trade union will maintain the level and quality of public and collective (sailing personnel) catering and commodity service, intensification of trade union and worker monitoring of the activity of trade and public catering enterprises, contribute to the development of the service sphere and the expansion of collective fruit growing, achieving the allotment of plots of land for its members, and will assist in building up fruit growing associations.

The trade union will contribute to the creation of pleasant conditions for the development and satisfaction of the spiritual interests of workers, young students and veterans, and will take part in organizing and financing the work of cultural-educational institutions and sports structures, and in taking mass measures to support independent creativity and organize all forms of cultural leisure and recreation for workers and their family members.

In its international activity, the trade union will reinforce and develop ties with related trade unions of international organizations and measures on problems of protecting the social rights of workers, will wage a campaign for solidarity, further the consolidation of democratic forces in the international trade union movement and use its international ties to improve the social-everyday conditions of trade union members.

To carry out the goals and tasks set, the trade union will:

—persistently improve the system of working out and concluding collective and individual contracts, various agreements and social contracts, monitoring their being carried out as the basis of the requirements for the administration of local and sectorial organs, further the development of self-governed work collectives, also with respect to commissioning trade union organizations to participate in arbitration, conciliatory and other committees, fighting for the legal interests and requirements of the workers before State and economic organs;

—achieve the acceptance of the USSR Law "On the Rights of Trade Unions," granting the trade union council the right to legislative initiative on problems within its jurisdiction and the right to "veto" the actions of the directors of ministries, enterprises and organizations which violate, with their actions, the conditions of collective contracts, agreements with the

trade union and other normative documents in the sphere of labor and leisure which encroach upon the legal rights of the workers and the trade union; to improve the legal position of the water transport workers, put into effect the right to legal defense for labor matters of the sailing personnel and other categories of workers; repeal disciplinary regulations and departmental acts which worsen the labor conditions for workers as compared with existing labor legislature and international law and practice; humanize the norms for criminal legislation on the responsibility of workers of the sailing personnel for violating the rules of traffic safety and operation of ships and floating craft; raise the quality of legal services.

To ensure the protection of the rights and interests of their members working abroad, including those on ships operating under foreign flags:

Will require an increase in the sums of monetary funds deducted by the water transport enterprises for the trade union committees for economic, social-everyday and production needs, as well as for cultural-athletic and health work and organization of cultural services for the workers and their family members, in the amount of not less than 1 percent of the profit obtained including that in currency.

The trade union supports the implementation of economic and commercial, including extra-economic, activity by primary and other trade union organizations for cultural-educational institutions and sports structures for the purpose of using the profit obtained to develop the material-technical base, to give material and other assistance to those in need of this, offering various services to members of the trade union at minimum and preferential prices.

The trade union is setting up a solidarity fund, to be spent to give material assistance to members of the trade union—water transport workers who have suffered as the result of spontaneous or other calamities, related to carrying out strikes (permitted by law) as well as payment of benefits to trade union workers—for the period of their job placement, but not over six months after termination of their work in an elected trade union organ.

The trade union will create its own inventory of mass information, which should become an instrument to form the public opinion of the members of the trade union, through efficient means of struggling to defend their interests and legal rights, and to adhere to the principle of social justice.

Resolution

Of the Extraordinary Congress of the Federative Independent Trade Union of Water Transport Workers, adopted 15-17 August 1990

On the Entry of the Federative Independent Trade Union of Water Transport Workers into the International Federation of Transport Workers (MFT)

Acknowledging the fairness of the demands of Soviet seamen and river workers for more reliable protection of their rights and interests before shipowners both in the USSR and abroad.

Being aware of the need to reinforce the international positions of the trade union for more active influence on the State policy in the socio-economic sphere;

Taking into consideration the wishes of members of the trade union on its entry into the MFT;

Considering the fact that entrance into this organization serves to reinforce the international solidarity and unity of water transport workers, the congress commissions the trade union council to appeal to the Executive Committee of the MFT with an official request to accept the Federative Independent Trade Union of USSR Water Transport Workers in the MFT.

Negotiations on entry into the MFT are to be conducted in a situation of glasnost and in consideration of the opinion of the members of the trade union.

The congress feels that all the members of our trade union working in foreign companies, firms and at joint ventures are concluding labor contracts in accordance with the recommendations of the MFT.

Officials Elected

*904H0300B Moscow VODNYY TRANSPORT
in Russian 1 Sep 90 p 1*

[Names of officials elected to the Council of the Federative Independent Trade Union of Water Transport Workers]

[Text] As we have already informed you, at an Extraordinary Congress of the Trade Union, the directing members of the Council of the Federative Independent Trade Union of Water Transport Workers were elected. Some 27 persons entered the presidium, and a review committee and representatives, delegated to the staff of the Trade Union Center of USSR Trade Unions from the Federative Independent Trade Union of Water Transport Workers were elected.

Membership of the Presidium of the Council of the Federative Independent Trade Union of Water Transport Workers, elected 17 August 1990 at the 1st Organizational Plenum (as of 18 August 1990).

Matskyavichus, Kazimeras Yuozovich—chairman of the Trade Union Council.

Korotekov, Stanislav Petrovich—deputy chairman of the Trade Union Council.

Kosovskiy, Aleksandr Georgiyevich—deputy chairman of the Trade Union Council.

Mulenko, Nikolay Vasilievich—deputy chairman of the Trade Union Council.

Abdullayev, Mazair Magerram oglu—chairman of the Caspian Basin Committee of the Trade Union.

Anokhin, Vyacheslav Sergeyevich—chairman of the Central Volga Basin Committee of the Trade Union.

Baulin, Viktor Alekseyevich—chairman of the Irtysh Basin Committee of the Trade Union.

Bibik, Valeriy Bernardovich—chairman of the Belarusian Republic Committee of the Trade Union.

Visnapuu, Lembit Rudolfovich, chairman of the Estonian Republic Committee of the Trade Union.

Didkovskiy, Aleksey Andreevovich—chairman of the Republic Committee of the Trade Union of River Transport Workers of the Ukraine.

Zubkov, Vasiliy Alekseyevich—chairman of the Black Sea Basin Committee of the Trade Union.

Kakhidze, Teymuraz Suleymanovich—chairman of the Trade Union Committee of the Sailing Personnel of the Georgian Maritime Shipping Company.

Kurbatov, Yuriy Ivanovich—chairman of the Dnester Basin Committee of the Trade Union.

Mazin, Nikolay Ivanovich—chairman of the Kazakh Republic Committee of the Trade Union.

Mikalayunas, Aedis Petrovich—chairman of the Trade Union Committee of the Sailing Personnel of the Lithuanian Maritime Shipping Company.

Narodovskiy, Teodor Frantsevich—chairman of the Latvian Republic Committee of the Trade Union.

Nekrasov, Viktor Romenovich—legal inspector of labor for the Council of the Trade Union at the Murmansk Basin Committee of the Trade Union.

Pechenin, Vladimir Basilevich—chairman of the Issyk-Kulsk Basin Committee of the Trade Union.

Prokofyev, Vladimir Illarionovich—chairman of the Northern Basin Committee of the Trade Union.

Pulin, Boris Semenovich—chairman of the Volga Basin Committee of the Trade Union.

Smelyanskiy, Yefim Yakovlevich—chairman of the Trade Union Committee of the Belgorod-Dnester Port of the Black Sea Shipping Company.

Starchenko, Gennadiy Grigoryevich—chairman of the Moscow Basin Committee of the Trade Union.

Urazov, Akhmed Dzhumabayevich—chairman of the Central Asian Basin Committee of the Trade Union.

Chernyavskiy, Aleksandr Nikolayevich—chairman of the Azov Basin Committee of the Trade Union.

Shevelev, Viktor Dmitriyevich—chairman of the Volga-Don Basin Committee of the Trade Union.

Shubenichev, Nikolay Mikhaylovich—chairman of the Pacific Ocean Basin Committee of the Trade Union.

Yakoblev, Sergey Vladimirovich—chairman of the Leningrad Basin Committee of the Trade Union.

Membership of the Review Committee of the Federative Independent Trade Union of Water Transport Workers

Alekseyevskiy, Nikolay Anatolyevich—chairman of the Trade Union Committee of the Syktyvkar Technical Section of the Vodnyye Puti Production Association of the Northern Basin.

Batrakova, Tatyana Alekseyevna—engineer of the Planning-Economic Division of the Sudoremont Scientific Production Association (Gorkiy).

Bokova, Vera Ivanovna—chief of the Control-Review Department of the Latvian Maritime Shipping Company.

Burova, Lyudmila Anatolyevna—engineer of the Yuzh-NIIMF [Southern Scientific Research Institute of the Maritime Fleet].

Gartsev, Aleksandr Mikhaylovich—chairman of the Severodvinsk Basin Committee of the Trade Union.

Granovskiy, Oleg Dmitriyevich—chief accountant of the All-Union Sovfrakht Foreign Trade Association.

Yefratova, Valentina Ivanovna—head of the Financial Department of the Central Volga Basin Committee of the Trade Union.

Zelinskaya, Lyudmila Pavlovna—economist of the Chief Accounting Office of the Black Sea Maritime Shipping Company.

Komissarova, Lyudmila Anatolyevna—deputy head of the Production Department of the Rostov Central Design Bureau of the Volga-Don River Shipping Company.

Kuzmenko, Vladimir Ivanovich—chief accountant of the Kiev Shipbuilding and Ship Repair Yard.

Kuzmenko, Lyudmila Olegovna—head of the Department of Organizational Work of the Danube Basin Committee of the Trade Union.

Mironov, Leonik Viktorovich—chief specialist of the Department of Organization, Norm-Setting and Wages of the Main Economic Administration of the RSFSR Ministry of the River Fleet.

Nevzorova, Svetlana Fedorovna—chief accountant of the Trade Union Committee of Shore Subdivisions and Administrations of the Baltic Maritime Shipping Company.

Novikova, Galina Ivanovna—deputy director of the Kalach Shipbuilding-Ship Repair Yard.

Orlovskiy, Viktor Vasilyevich—head of the Department of the Rechport Scientific Production Association, Moscow.

Taranyuk, Zinaida Yakovlevna—head of the Financial Department of the Azov Basin Committee of the Trade Union of Water Transport Workers.

Khizhnyak, Yelena Filippovna—chief accountant of the Belsudostroyremont Production Association.

EXPERIMENTAL SYSTEMS

Wing-in-Ground Effect Craft Promoted Despite Official Indifference

914H0043A Moscow RABOCHAYA TRIBUNA
in Russian 10 Nov 90 p 2

[Article by Ye. Zemlyanikin: "Flying Over the Waves"]

[Text] Nizhniy Novgorod—Nizhniy Novgorod designers of unusual craft are voting for the market; it is the only thing that will help them to realize their dream, ruined during the years of stagnation.

Books and articles have been written about Rostislav Yevgenyevich Alekseyev, holder of the Lenin and State prizes, doctor of technical sciences, and chief designer of the Central Hydrofoil Design Bureau. Television and radio broadcasts have been devoted to him. But alas, no one has mentioned a word about the main point. That he left his creation and switched completely to a new direction of scientific and technical research. Only it has not brought him happiness and recognition yet.

Here are persons on a videotape, shown to a journalist for the first time. A strange craft that looks very much like an airplane is flying over the sea. It seems to be skimming along the surface of the water. But it is not. The lens is lowered, and the incredible becomes apparent: the strange airplane-ship is swiftly skimming over the waves at an altitude of roughly 3 meters. It is flying over the water like a gliding albatross...

The craft nears a sloping shore. It comes up on it easily, grazes the bushes, crosses a small ditch, and then rushes over the smooth water again. R. Alekseyev is at the helm. He was testing his craft himself.

"Rostislav Yevgenyevich solved a revolutionary problem once already," says Boris Vladimirovich Chubikov, candidate of technical sciences and winner of the Lenin Prize. "With the help of a hydrofoil, we made a speed breakthrough on the water. Alekseyev entrusted the idea to his associates, but he went further himself. He was fascinated by the so-called ground effect."

I will explain. As far back as the dawn of aviation, pilots coming in for a landing began sensing a sharp increase in lift, an unexpected push under the wings. A dynamic air

cushion was forming between the wing and the airport surface. Landing distance was increased significantly as a result. Rostislav Yevgenyevich saw in this phenomenon, harmful to aviation, a new way to increase speed and economy on the water. The first experimental craft to make use of ground effect made their appearance. But...

"Storm clouds gathered over Alekseyev in 1975," says D. Sinitsyn, the chief designer for hydroaerodynamics. "Rostislav Yevgenyevich was removed from his position and work on the project. Essentially only his most devoted associates, B. Zobnina and I. Shapkina, remained with him. The bureau was in shock. No one could understand what had happened."

And only later did I find out that the higher departments were not receptive to this equipment.

Perhaps because it had fallen into a "gap" between them. After all, the strange craft were a little like airplanes and a little like ships, but essentially they were neither one nor the other. So the officials in one department or another did not want to claim them as "theirs." Especially a new development, risky as it is...

Dmitriy Nikolayevich was convinced: most of Alekseyev's efforts were spent on overcoming obstacles. In the last years of his life, Rostislav Yevgenyevich, in reflecting on the reasons for the slowdown in scientific and technical progress, said: "As soon as something new is developed, an opposing force is developed at the same time. But to the extent that this new development is already approaching the area of practical conciliation, even stronger slowdown forces are turned on." He ended his conclusion with a gloomy joke: "I can't explain this by anything—only the intrigues of the CIA."

Alekseyev demonstrated his air-cushion craft in 1957. He wanted to show the most improved model at the Moscow Olympics, but...he was not able to.

But the people on the videotape are attesting to the fact that the huge craft is flying over the sea. I am able to count 10 gas turbine engines on it. This is a full-scale laboratory with a range of several thousand kilometers. Seeing this miraculous craft flying swiftly over a 5-point sea, I really begin sensing the full truth of Sinitsyn's heartfelt words: if the fleet had had the air-cushion craft at its disposal, the crew of the Komsomolets, and obviously, the nuclear submarine itself, could have been saved. This is confirmed by B. Chubikov as well:

"Imagine, the craft is not daunted by 3-meter waves. There is nothing like it in the world. And the speed and 'versatility,' perhaps, are simply staggering. The air-cushion craft is ideally suited to conquer two elements right away—air and water."

"This took place during the testing of the full-scale laboratory," recalls Vladimir Aleksandrovich Markov, the enterprise's chief engineer and winner of the State Prize. "After the craft broke away from the water in the Caspian Sea and quickly became hidden beyond the

horizon, the associates standing on the shore did not come to their senses for a long time. After it returned, many did not believe their own eyes: we thought you had flown off into space, they marveled."

"The air-cushion craft can operate not only in open water, but frozen water areas as well," says Eduard Ivanovich Privalov, chief of a department. "And what advantages does this equipment promise for geologists, oil workers, and fire services? It is no coincidence that many countries have now become interested in air-cushion craft."

What are the forms of coooperation we see here? We are now planning and building pilot models, but we are transferring series production to other enterprises. But under the conditions of tomorrow's market economy, the staff members are prepared for other conditions as well, including the development of joint ventures with foreign partners and cooperation within the framework of associations and concerns.

Unfortunately, the state investments in developing our equipment are totally inadequate today. Simply stated, we are sitting on golden eggs, but we are hatching our chicks extremely slowly.

Are we complaining? Not at all. And we do not need money. But we are asking for full—not fictitious—financial and economic independence. And we have a great deal to offer in response: classic hydrofoils, air-cushion passenger craft, and air-cushion craft for the national economy.

When asked if the collective will be able to cope with its plans, Boris Vladimirovich Chubikov sighed and said: "It will cope. Unquestionably. But I stress again, we need the freedom."

The worst disaster for a scientist is really when he sees that his developments, which are needed and important, do not receive the necessary support from the state. Perhaps if the state does not want to help, it can at least not interfere?

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DATE FILMED

11 January 1991